



Case 1 – Prepay certain deductions

Bill & Jill Hill Allowed Deductions	No Planning		With Planning *		Consider a DAF **	
	2017	2018	2017	2018	2017	2018
State Tax Paid	8,000	0	8,000	0	8,000	0
Property Taxes	11,000	10,000	22,000	0	22,000	0
Mortgage Interest	9,000	9,000	9,700	8,300	9,700	8,300
Charity	3,500	3,500	7,000	0	17,500	0
Total Itemized	31,500	22,500	46,700	8,300	57,200	8,300
What's Greater?	Itemize	Standard	Itemize	Standard	Itemize	Standard
Itemize or Standard	31,500	24,000	46,700	24,000	57,200	24,000
Additional Deduction compared to "No Planning"			15,200		25,700	
Tax Savings @ 25%			\$ 3,800		\$ 6,425	
Tax Savings @ 39.6%			\$ 6,019		\$ 10,177	

* With Planning:

Prepay property taxes of \$11,000 by 12/31/17 (would've paid in '18)

Pay January 2018 mortgage payment by 12/31/17 (\$700 of interest)

Accelerate charity that would've given in '18 into 2017 (\$3,500)

** Consider a DAF (Donor Advised Fund): same as "With Planning", with one change....

Instead of accelerating one year of charity, put four years of charity (\$14,000) into a DAF by 12/31/17

The Hills are not subject to the AMT