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reminding taxpayers that it's still not too late for many to reduce their 2012 income tax burden.

Isaac M. O'Bannon • Apr. 02, 2013

WASHINGTON (April 2, 2013) – One of the largest organizations of tax professionals in the United States is reminding taxpayers that it's still not too late for many to reduce their 2012 income tax burden.

The National Association of Enrolled Agents says the key is in Individual Retirement Accounts (IRAs). Taxpayers under 50 may contribute a maximum of \$5,000 to a Traditional or Roth IRA (Roth contributions are not tax deductible); those 50 or over may contribute up to \$6,000. But in order to qualify for the tax deduction, they have to meet certain criteria established by the IRS and taxpayers without a (401) k plan at work fare the best.

“Many people don't realize that there's still time to fund a Traditional IRA for 2012,” explained John Sheeley, EA, an enrolled agent in Goshen, NY. “A contribution between now and April 15 may help to lower your tax burden for 2012 by allowing you a full or partial deduction. But keep in mind that even if you file an extension of the return, your IRA investment needs to be completed no later than April 15 in order to count with IRS, so there's no time to spare.”

To claim the full deduction, taxpayers must not currently be eligible for a tax-deferred retirement plan, or must have an adjusted gross income (AGI) of \$58,000 or less for singles, or \$92,000 or less for married couples filing jointly. Those who are married filing jointly (MFJ) where one spouse is eligible for a company retirement plan but the other is not, can also make a contribution that is fully deductible as long as the couple's combined AGI does not exceed \$173,000.

Partial deductions are available for single filers with an AGI of \$58,000 to \$68,000

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“Tax planning can really make a difference in your annual tax bill,” said Sheeley, “and taking advantage of every legally available tax deduction and credit is your right as a taxpayer.”

To ensure that taxpayers take advantage of all available tax free savings, tax credits and deductions for 2012, or to start planning for tax year 2013, consult with a licensed tax professional, such as an enrolled agent EA, CPA or tax attorney. These are the only advisors authorized to represent taxpayers before the IRS.

Income Tax • IRS

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