

Customized Senior Services  
to Maintain Lifestyle  
& Financial  
Independence

**Marcia L.  
Campbell, CPA**  
◆  
**A PROFESSIONAL CORPORATION**

Specializing in Elder Care,  
Trusts & Estates,  
Taxes & Small  
Business

Certified Senior Advisor (CSA)® ◆ Elder Care Professional ◆ Accredited Estate Planner (AEP)

Volume 14, Issue 11

November 22, 2019

***NOVEMBER ISSUE***

**Inside This Issue:**

Will Tax Reform Affect Your Charitable Deduction? What You Need to Know	1-2
5 Ways to Reduce Holiday Stress: Part 1	1-2
What Our Clients Say About Us	2



**Will Tax Reform Affect Your Charitable Deduction? What You Need To Know**

**5 Ways to Reduce Holiday Stress: Part 1**

The Tax Cuts and Jobs Act of 2017 brought significant changes to the American tax code, and taxpayers are facing new financial decisions. Will my former tax strategy still work? Is there anything I should do differently? And what does it mean for my charitable giving? The following are answers to some of the top questions you may ask in the wake of tax reform:

**Can I still take a charitable deduction?**

Yes. Congress continues to value the charitable deduction and supports the tax incentives associated with giving. If you itemize your tax deductions, you can still take a deduction for a charitable contribution; in fact, it was expanded in some cases.

**Does the increased standard deduction affect the tax benefit I receive for charitable giving?**

It could, but it depends on your specific situation.

In 2019, the standard deduction rose to \$12,200 for individuals and \$24,400 for married couples filing jointly, nearly double the pre-tax reform standard deduction in 2017. Tax reform made the number of households itemizing their deductions drop significantly. Although more middle-class families now opt for the standard deduction, wealthier taxpayers continue to itemize their deductions.

*Continued on next page*

Many people look forward to the holiday season and the start of a new year. It often provides an opportunity to spend quality time with family, take a few days off from work, or go on a winter getaway.

While the holiday season can be a fun and joyous time, it can also be very stressful. The combined effort of shopping, attending social events, and entertaining guests can quickly become too much to handle. Though the holiday season can be a difficult and stressful time, there are several ways to minimize stress and anxiety so you can thoroughly enjoy this festive time of year.

**Set a Spending Budget**

The holiday season and spending go hand-in-hand. Between buying gifts for your children, spouse, and relatives, you can drop hundreds of dollars between Black Friday and Christmas Day. A 2015 Gallup poll reported that shoppers around the United States were planning to spend an average of \$830 on gifts over the holidays.

Spending money during the holiday season may be unavoidable, but you can control how much you spend. Some of the stress you feel over the holidays may have a lot to do with financial pressure. To help prevent money stress, plan ahead, review your finances, and come up with a realistic budget for gifts. Buying gifts shouldn't affect your ability to pay your bills or result in costly credit card debt.

*Continued on next page*

Will Tax Reform Affect Your Charitable Deduction? What You Need to Know.....Continued From Pg. 1

If you're in the latter group, with deductions totaling well over \$12,200 (or \$24,400 if you file jointly), your charitable deduction likely remained the same. But if you itemized your deductions in the past, and now instead take the standard deduction, you no longer receive a specific tax benefit for charitable giving.

### What is the "bunching" strategy? Can it help me?

One tax strategy is called "bunching." This is when you surpass the itemization threshold by bundling together your tax deductions into a single year, and then take the standard deduction in interim years. This requires careful and intentional timing of expenses you want to deduct. While you can mix and match any deductions to reach the threshold, charitable giving is an easy lever to pull to put you over the top. Accelerating your giving and donating two years of contributions in one year can go a long way to helping you reach the threshold. It can also help you give more to charity and save more on taxes in the long run.

Take this simple example. Let's say you and your spouse own your home with no mortgage, and your annual property taxes are \$12,000. You usually give about \$10,000 annually to a nonprofit. With the \$10,000 cap on your property tax deduction, your itemized deductions total \$20,000. If these are your only deductions, it makes sense to take the higher \$24,400 standard deduction.

However, if you "bunch" your charitable deductions by making two years' worth of contributions in one year, your itemized deductions of \$30,000 would exceed the standard deduction by \$5,600. And if you place your charitable dollars into a donor-advised fund, you can maintain your steady, yearly support to nonprofits of your choice.

Source: [www.fidelitycharitable.org](http://www.fidelitycharitable.org)

Please contact our office for more information.†

5 Ways to Reduce Holiday Stress: Part 1.....Continued From Pg. 1

Don't let others pressure you into spending more than you can afford. Using a credit card is tempting, but it can also complicate matters. Decide on a maximum amount and stick to that budget. You can also get creative and think of gift ideas that don't involve money. A friend or family member might appreciate the gift of time better than an actual item.

### Get Plenty of Exercise

When you're running around during the holiday season, exercise might be the last thing on your mind. What you may not realize, however, is that being active can elevate your mood and help you cope with stress. Exercise and other types of physical activity stimulate the production of endorphins in the brain. Endorphins are brain chemicals that function as a natural painkiller. They can trigger a positive feeling in the body, boosting mood and reducing feelings of anxiety and stress.

Aim for at least 30 minutes of physical activity a minimum of three times each week. Find an activity that works for you and your lifestyle.

Source: [www.healthline.com](http://www.healthline.com)

Please contact our office for more information.†

### What Our Clients Say About Us

**I have been with Marcia since 2001. Her service and professionalism have always been top notch.**

**- JF**



**Happy Thanksgiving**  
November 28, 2019



"When you are grateful—when you can see what you have—you unlock blessings to flow in your life"  
~ Suze Orman



You can e-mail us at

Jessica@MCampbellCPA.com to receive your newsletter by e-mail!