

G & M TAX INFORMATION SESSION: MEDICAL PROFESSIONALS

What you need to know for this
upcoming 2018 Tax Season.

Deductible Expenses

How to record and retain expenses

Multiple W2 and 1099 income

What else should I know about?

Typical Deductible Expenses

- **Travel Expenses** from one job to another **Items purchased for your job**. Good news! You can deduct items necessary to do your job, like scrubs, shoes, or specific equipment. According to the IRS, “work clothes and uniforms” are eligible for deduction “if required and not suitable for everyday use.” It’s important to note that you are not eligible for tax deductions on a nursing uniform or scrubs if your employer paid you back for these items. Double check with your employer to make sure, and read [Publication 529: Miscellaneous Deductions](#) and [Topic 514: Employee Business Expenses](#) for more!
- **Licensure and union dues**. Renewing your nursing licenses and your union dues are generally eligible for deduction.
- **Education**. Claiming educational expenses on your taxes can be tricky. [If you completed your RN-BSN degree](#) this year or continued on to your MSN or received a certification, you may be eligible for a tax credit or deduction. There are a few different categories you may fit into to:
 - Educational credit
 - Tuition and fees deduction
 - Student loan interest deduction
 - Qualified student loan
 - Qualified education expenses
 - Business deductions for work-related education
 - Qualifying work-related education
 - Education required by employer or by law
 - Education to maintain or improve skills
- For the work-related deductions, check with your employer or in your contract first. Each of these have detailed eligibility criteria, so it’s very important to visit the [Tax Benefits for Education section on the IRS website](#) to see if you qualify.
- **Travel expenses**. Travel nurses, take note! If you were required to travel for business-related conferences, meetings, seminars, patient care, and so on, you might be eligible for a travel tax deduction. This might include parking costs, mileage, tolls, or public transportation as well. If you drive for your job (commuting doesn’t count), it’s a good idea to keep track of your mileage. Keep a notepad in your car or use a handy app. [MileIQ has some great information](#) on what you can and can’t deduct. Check it out!
- **Legal Fees** for working Visa

How to record and retain expenses

- Apps you can use to track your mileage
 - <https://www.cnet.com/how-to/3-apps-for-tracking-your-mileage/>

For Educational Tuition expenses:

- 1098T form from education institution

Student loan interest deduction

- 1098-E Tax documents

Business deductions

- Cell phone bills
- Retaining credit card bills in PDF (Electronically) in case of audit

Travel costs

- If you can get a note or some documentation from your employer that confirms your travel to multiple site visits are required

IRS High Risk Audit Areas

- Travel expenses- Mileage
- Educational Expenses
- Medical Expenses
- Child Care Credit

Multiple W2 and 1099 income What that can mean for you:

- There are some medical professionals that work at multiple hospitals and locations. Even you may correctly withhold the same amount the combined income can put you in a higher tax bracket and therefore you owe more. What can you do?
 - Defer your taxable income to 401k or 403b – \$18,000 is the maximum amount but note that some states like NJ consider 403b as taxable income.
 - Maximize your deductible expenses and retain all supporting information
 - [IRS Withholding Calculator](#) – Online tool that helps determine the correct amount of tax to withhold.
 - Call us and we can provide a more specific approach given your situation.

What else should I know about?

- There are pending proposals around state and local tax deductions and other itemized deductions. Nothing has been put in place but tracking for the 2018 tax season.
- Need to ensure that Healthcare coverage- most taxpayers should have coverage through employer and will be stated on your W2.
- Tax Organizer will be sent out end of January for all returning clients.
- Providing more features for you to upload your tax documents on your phone, view on-line and making your tax documents more mobile accessible.
- \$20 referral fee for new clients – Click here to submit your referrals. <https://goo.gl/forms/4l2L1Z5WLAT8Tnxp2>