

SUCCESSFULWOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



Ready, set, tax break

Prepare to take advantage of tax opportunities in 2017

The start of the new year is the perfect time to search out tax opportunities. Perhaps your state offers additional incentives or tax breaks for women-owned enterprises? Or perhaps you haven't fully explored the available small business tax breaks and credits?

Good news for business owners, some of the uncertainty about deductions included in the PATH Act has finally been cleared. Congress passed the law back in 2015, but confusion set in regarding certain stipulations. Here's a look at where they stand now and other options that could have a place in any business owner's tax strategy.

MAXIMIZE DEPRECIATIONS VIA SECTION 179

Extended in the PATH Act, this tax break allows your business to deduct up to \$500,000 in expenses related to qualifying equipment or software purchased or leased during 2016. This includes office furniture and vehicles.

Bonus depreciation sweetens the deal, letting business owners immediately depreciate 50% of the cost of office-related property put to use in 2016. This provision was extended through 2017 and can be used in conjunction with Section 179.

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Ready, set, tax break (cont.)

TAKE ADVANTAGE OF GENERAL BUSINESS TAX CREDIT

If your business was operating at a loss, bonus depreciation isn't very useful to you right now. Luckily, you're able to claim a higher limit on your refundable credits instead. The General Business Tax Credit is not a single separate credit, but an assortment of tax credits with specific qualifications the taxpayer must meet in order to receive. Congress can choose either to extend a credit or allow it to expire each year.

CONSIDER A SMALL BUSINESS HEALTH CARE TAX CREDIT

Businesses that have fewer than 25 workers, pay average annual wages below \$50,000, and cover 50% or more of health premiums might qualify for the Small Business Health Care Tax Credit. This credit is available to those eligible small businesses that purchase coverage for their employees through the Small Business Health Options Program (SHOP).

EMPLOY A WORK OPPORTUNITY TAX CREDIT

The Work Opportunity Tax Credit reduces income liability for small businesses if they hire employees who fall into certain "target groups who have consistently faced significant barriers to employment," according to the U.S. Department of Labor. There are quite a few qualifying target groups, including summer youth employees, unemployed and/or disabled veterans, ex-felons, and food stamp or Temporary Assistance for Needy Families (TANF) recipients.

EVALUATE YOUR BUSINESS STRUCTURE

Changing your ownership structure can give your business an advantage. At year's end, owners with an LLC can still retroactively elect to be taxed as an S-corporation.

TAKE ADVANTAGE OF A NET OPERATING LOSS

If you've incurred net operating losses, the Internal Revenue Service (IRS) allows for a tax deduction known as a carryback that may generate a tax benefit against previous years' profits, up to two years. Any net operating losses leftover can then be carried forward for up to 20 years, offering a potential reduction on taxes against future earned income. The rules are complicated, and

include an option to waive the carryback period, so it's important to consult a well-qualified tax professional to get this right.

Schedule a meeting with a knowledgeable accountant and your other professional advisors who know your specific financial situation. Without their guidance, you might miss deductions you qualify for.

To find partners who help women pursuing entrepreneurial success, reach out to the:



- Association for Enterprise Opportunity
- Association of Women's Business Centers
- National Association of Women in Construction
- National Association of Women in Real Estate Businesses
- National Association of Women Business Owners
- National Women's Business Council
- U.S. Women's Chamber of Commerce
- WEConnect International
- Women's Business Enterprise National Council
- Women Impacting Public Policy
- Women Presidents' Organization

Sources: businessinsider.com, nwbc.gov, sba.gov, turbotax.intuit.com, investopedia.com, doleta.gov

NEXT STEPS

- Discuss tax strategies with your advisor and your accountant.
- Pinpoint tax opportunities you can take advantage of in 2017.
- Connect with a partner organization that can help you succeed.

Raymond James financial advisers do not render tax advice. Please consult a qualified professional regarding tax matters. Please note, changes in tax laws may occur at any time and could have a substantial impact upon each person's situation.



Your mind matters

An optimistic outlook can enhance your work, health and daily life

Negative thinking is a trap many fall into, but positivity is more than just a greeting card sentiment. Research shows 90% of happiness is established by your mindset, meaning only 10% is determined by external factors like your job, finances or health. How best to tap into positivity? A wealth of research suggests a more optimistic outlook is within reach.

POSITIVITY AND SUCCESS

We often think that we can find happiness by first reaching our goals. Often, the opposite is true. MET Life recently found that happier salespeople were more successful, so they hired optimistic people over those with more experience or higher intelligence. In the first year, happier salespeople outsold their colleagues by 19%, and by 57% the next.

Shawn Achor – Harvard professor and positive psychology expert – shared in his TED talk that our brains are 31% more productive when positive versus negative, neutral or stressed. His research and consulting work show that 1) exercising, 2) meditating, 3) journaling about positive experiences, 4) thinking of three things you're thankful for each day, and 5) performing random acts of kindness are habits proven to shift your mindset toward the positive.

POSITIVITY AND VITALITY

Reaching middle and senior ages may have meant a significant lifestyle change for your parents – stepping back from long-held careers and engaging in less physical activity. Today, we know more about staying healthy, understanding that new hobbies, careers or athletic achievements can happen at any age.

Other research suggests that in many ways our brains actually improve with age. Accumulating experiences boosts innovation and creativity, helping us think bigger and make important

mental connections. With more life experience also comes greater maturity and awareness, giving us a keener understanding of what's truly important.

IT'S THE LITTLE THINGS THAT COUNT

When we think of what would make us happiest, visions of extravagant vacations and big houses may dance through our heads. But findings from The Journal of Consumer Research suggest that's not what matters most.

Study participants were asked to recall enjoyable life events ranging from ordinary experiences, such as a good meal, to extraordinary and less frequent occurrences, like trips to exotic locales. Their findings were revelatory: The older the participant, the more joy they experienced from ordinary pleasures – joy which eventually grew to match that gleaned from novel experiences.

The future is bright once you harness the knowledge that your lifestyle and well-being can be as good as you believe them to be. That means that when it comes to tapping into your positivity potential, there's no better time to start than now.

Sources: Huffington Post, NYTimes.com, Business Insider, Telegraph.com, TED.com, CNN.com, Liveboldandbloom.com

NEXT STEPS

- Try out one of Shawn Achor's five daily steps toward positivity.
- Indulge in an ordinary experience or two that bring you joy.
- Account for the things – big or small – that bring you happiness when developing your financial plan.



Retirement readiness takes getting in step

Spouses often disagree on when, where and how they're going to retire

When Fidelity Investments asked couples how much they think they will need to save for retirement to maintain their current lifestyle, 48% had “no idea.” Forty-seven percent disagreed on the amount needed (the disagreement highest among those closest to retirement). In some ways, that's not surprising – many couples disagree on financial and lifestyle matters long before they've stopped working.

The time to resolve retirement differences is not once you're already there but long before. Let's consider a few key areas where couples should find common ground.

WHEN AND WHERE

Spouses often have different time frames for retirement, an issue that's exacerbated when one is significantly older. Of course, the retirement nest egg is a factor. If you're planning to downsize or move to a location that's warmer, or nearer your children, that will affect your timeline. If one spouse is set on a certain location, try to take a long vacation (or several) there together, then discuss how you each feel about a permanent move.

RETIREMENT LIFESTYLE

Some people see retirement as a time to do very little; others see it as a chance to do everything they dreamed of during the nine-to-five grind. These are individual choices, but they affect the other spouse and your joint financial planning. You and your spouse should be in general agreement on how you're going to live in retirement and what that lifestyle will cost – an expense estimate you should arrive at long before retirement begins.

RETIREMENT FINANCES

This is a major topic, including items such as monitoring and managing expenses; how much you can withdraw from your retirement portfolio annually; what your income sources will be; how long your money has to last (be sure to add a margin of safety on this one); what level of risk you can jointly tolerate; how much you plan to leave to others; how much you're going to set aside for emergencies; who is going to manage the money; what happens if that spouse dies first ... this list goes on, too.



You don't want to spend your retirement years worrying about money, but not planning ahead is one way to ensure you will. All of us will have to make some tradeoffs and adjustments – as we have throughout married life – and it's important to remember that the earlier you discuss your options, the better your chances of achieving the retirement you've both worked to achieve.

NEXT STEPS

- Have a discussion with your spouse about your ideal retirement, including where and when.
- Find areas of agreement first, then tackle the differences.
- Run your ideas past your advisor to determine if they're realistic or may need to be adjusted.