

Take some time to review your tax form

A little investigative work on what this financial outline says about you could result in a bonus for you

At the risk of sounding boring (this is, after all, a financial planning column), have you reviewed your 2007 Form 1040 now that some time has passed since you filed it? Have you pulled out your personal income tax return and looked at it now that the rush to file in a timely manner has passed?

If you had another person prepare the return, it is highly likely you did not even look at the return other than to "sign here" when you picked up your packet at the preparer's office. Bad move. There is a wealth of information included in your income tax return and much of this information can be used by you to plan your financial future.

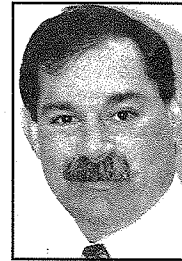
Want to create an investment plan? Before doing this, you would always look at your income tax return to see what you earn and how you earn it.

Trying to decide what type of retirement plan to use and what form of income to use to fund it? Before doing this, you would always look at your income tax return to see what you earn and how you earn it.

Trying to decide on an amount of life insurance or disability insurance? Before making this final decision, you would need to know what your income level is and how the money is being earned.

Planning to make some changes to your estate plan? Yep, your income tax return has a direct bearing on these decisions as well.

Why not take a few minutes this week and read your personal Form 1040 2007 U.S. Personal Income Tax Return? While we have written columns in the past on the deductions available to you, we want you to



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concentrate today on the "Income" portion of the return. On the Form 1040 these are lines 7 thru 22.

Do you have entries in this section on different lines? Do you have wages, dividends,

interest, business earnings, capital gains, rental receipts? Each line item carries with it a planning opportunity. Now is the time to think about these planning opportunities.

If you used a CPA or individual tax preparer, consider calling the preparer to see if she can meet with you to review your return. Let her know it is a planning or exploratory meeting. If she cannot assist you, ask for a referral.

Your goal is to use your income tax return to plan for next year. The first question you will ask is, "If I could have done things differently in 2007 and earned the same amount of money, how could I have paid less income tax?" If you are like most people, you will have several choices of things you can consider doing for next year (which, by the way, is now halfway over). Your goal from the meeting is to see if there is a way to turn some of the tax you paid into savings for your future.

I suspect that if you invest an hour in this process, you will find ways to save a sum equal to several days of your regular wage. Then the only decision for you will be whether you wish to take advantage of the opportunities you discovered. The process is likely to be less boring than it sounds.

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