From the desk of
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Choosing the Correct Filing Status

It is important to use the right filing status as that choice will affect the amount of income tax that is applicable for the year.

Your marital status on December 31 is their status for the entire year.

Sometimes more than one filing status may apply to taxpayers.

When that happens one should choose the status that allows them to pay the least amount of tax.

The following is a list of the five filing statuses:

Single

Normally this status is for taxpayers who are not married, or who are divorced or legally separated under state law.

Married Filing Jointly

If taxpayers are married it is an election to file a joint tax return, or file separately. If one, or a couple chooses to file jointly then both spouses then in effect agree individually to be liable for the entire amount of any taxes owed whether the other spouse in fact pays for their share of the taxes then owing. If a spouse died in 2016, the widowed spouse can often file a joint return for that year.

Married Filing Separately

A married couple can choose to file two separate tax returns. This may benefit them if it results in less tax owed than if they file a joint tax return, or if there is a dispute as to approach to tax issues, or payments that have been or will be paid by each spouse.

Taxpayers may want to analyze their individual tax liabilities both ways before choosing which method to file under. Filing separately allows each individual to be responsible only for their own tax, but this does not protect each party later should there be a collection issue if one spouse fails to pay as the IRS, and many states look to the entire household income to determine any possible collection procedures to collect any delinquent taxes.

Head of Household

In most cases this status applies to a taxpayer who is not married but has dependents within their household during the predominant part of the year along with some special rules that additionally apply. For example, the taxpayer must have paid more than half the cost of keeping up a home for themselves and a qualifying person.

Qualifying Widow(er) with Dependent Child

This status may apply to a taxpayer if their spouse died during 2014 or 2015 and they have a dependent child. Other conditions also apply.

Unfortunately they do not have a

"I would rather not participate"

status.

Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at www.petemcpa.com!

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.
Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at

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Providing individuals, small businesses, corporations, partnerships, professionals, and other business entities with the necessary guidance and answers for a complex world.