

TAX TIPS

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1099Rs Are Tricky!

Form 1099R (Retirement) shows the following types of income:

- Pensions
- IRA withdrawals – including inherited IRAs.
- 401K withdrawals
- Annuity withdrawals.

These forms include the gross distribution, the taxable portion and the code indicating why it was withdrawn. Codes may include 7 = normal distribution, 1 = early withdrawal (before age 59 ½), 4 = inherited or G = rollover, among others.

In addition, if you have some nondeductible IRAs (on prior Form 8606) some of your withdrawal may not be taxable. The computation is done on the 2014 Form 8606. And, finally, if you withdrew an IRA before age 59 ½ for medical bills or education or a first home, it may not be subject to the 10% penalty, shown on Form 5329. Not simple!

STRAUSS TAX SERVICE will accurately prepare your 2014 Federal and IL tax returns, efile while you wait and call you when your returns have been accepted by the IRS and IL. We will answer your many questions about 2015 and save you money. We are located at **624 62nd Street, Downers Grove** and are open from **9 AM - 9 PM daily**.

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