

■ COLLEGE EXPENSE TAX BENEFITS

College tuition can be an expensive proposition for students and their families. However, there are some tax benefits available which can help to offset some of these costs.

We encourage you to consider the following tax benefits which may apply to you, your spouse, or a dependent for whom you claim an exemption, when planning for your 2012 tax return:

AMERICAN OPPORTUNITY CREDIT: This credit was originally created under the American Recovery and Reinvestment Act and it has been extended through December 31, 2012. Qualified expenses include tuition and fees, course related books, supplies, and equipment. A credit of up to \$2,500 per eligible student is available for the first four years of post secondary education. 40% of this credit is refundable, meaning you may be able to receive a refund of up to \$1,000 for this credit, should you owe no taxes. To receive the full credit, your modified adjusted gross income must be below \$80,000, or below \$160,000 for married couples filing a joint return. This credit will expire after 2012 unless it is extended by Congress.

LIFETIME LEARNING CREDIT: You may be able to claim a credit of up to \$2,000 for qualified education expenses paid for a student enrolled in eligible educational institutions. There is no limit to the number of years for which you can claim the Lifetime Learning Credit, but your modified adjusted gross income must be below \$52,000, or below \$104,000 if married filing jointly to claim the full credit.

STUDENT LOAN INTEREST DEDUCTION: Personal interest paid, other than certain mortgage interest, is generally not deductible. However, if your modified adjusted gross income is less than \$60,000, or below \$125,000 for married couples filing a joint return, you may be able to deduct up to \$2,500 of interest paid on a qualified student loan. This credit can reduce the amount of your income subject to tax even if you do not itemize your deductions. Unless changes are made by Congress, beginning in 2013 student loan interest will be deductible only for the first 60 months of repayment.

CAN I TAKE BOTH A CREDIT AND A DEDUCTION? No. If you claim the American Opportunity Credit or the Lifetime Learning Credit, you cannot also claim the Student Loan Interest Deduction.

MULTIPLE STUDENTS IN A HOUSEHOLD: You may claim only one of the credits or deductions per student, per tax year; you may, however, choose to take different credits or deductions for each student, each year.

Every individual or family's tax situation is different. Please contact your tax advisor to determine the course of action appropriate for you. Our tax professionals are here to assist you with tax compliance, tax planning and other financial matters. Call us at (863) 688-8841 or visit www.bayliscpas.com to learn more about our Firm and our services.



■ CONGRATULATIONS, TRACY KIMBROUGH!



Shareholder Tracy Kimbrough has much to celebrate lately! Tracy has been accepted to Leadership Polk Class VI. Leadership Polk brings together current and emerging leaders from across Polk County to develop diverse networks of resourceful, informed and proactive leaders who will create a more vibrant county and region.

Tracy was also recently installed as Treasurer of the Lakeland Rotary Club. Tracy joined the club in 2011, quickly rolled up her sleeves and shared her talents in many Rotary Club activities, including the Child of the Sun Jazz Festival and Urban Triathlon held this spring.

Lastly, Tracy has just been honored with the Luther Halsey Gulick Award by CampFire USA Sunshine Council. This award recognizes outstanding leadership over an extended period of time and is the highest form of national recognition that can be awarded at the council level.

We are so proud of you, Tracy. Way to go!

■ “STEVE’S HOUSE” IS COMPLETE

The Habitat for Humanity build is now complete. We have been overwhelmed by the support shown for this project by so many of our generous clients and friends who truly gave of their time, talent and treasure.

In the last month of the project we had many donors and volunteers help us cross the finish line and welcome the Cook family to their new home. Thank you so much to everyone who came out to work on the home. Your participation warmed our hearts.



Thank you also to all of our generous donors: Jennifer, Brawley and Cade Adams, All Racked Up BBQ, Pete and Boo Baylis, Todd Baylis, Mary and Hunt Berryman, CampFire USA Sunshine Council, The Doggie Bag, Tami Burroughs and Deric Dymerski, Caudill's Air Conditioning, Chirino's Tile and Marble, Claussen's Fine Furniture, Classic Air Conditioning, Dixie Signs, Explorations V Children's Museum, Garrard Framing & Drywall, Helen Hooks Gohari, GrayRobinson, Griggs Electric, David Hooks, Debbie and Hollis Hooks, Jim's Tree Service, Kelley's Cabinet Supply, Stephanie and David Kimbrough, Tracy and Mary Kimbrough, Lakeland Flying Tigers, Lakeland High School Class of 1971, La Porta Rossa, Leadership Lakeland Class XXV, Mitchell's Coffee House, Rosemary and Jack Roudabush, Trish and Jason Shepard, Sherwin Williams, Susan and Ron Starr, Stinson's Home Design Center, Sunshine Growers, Sunshine Interiors, Ann and John Thompson, Two Men and A Truck, Kathy and Bob Wallen, Wallace Murphey Boyington Architects, and Edie Yates.

■ CLOSING THOUGHTS

It seems that Benjamin Franklin had a witty saying on most everything. We thought this quote was particularly appropriate to close out our newsletter this month:

An investment in knowledge always pays the best interest.
~ Benjamin Franklin

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