



**HOUGUM
LAW FIRM, LLC**
ESTATE PLANNING & ELDER LAW

715.843.5001
info@hougumlaw.com

April 2019 Newsletter



Last Minute Tax Tips Before April 15th

The April 15th tax filing deadline is less than one week away. At this point, you most likely have already started to gather your tax-related information, such as W-2s, 1099s, health insurance information, and more, but you may not be fully prepared to file just yet. While there may only be a few things you can do to increase your refund or lower your tax bill at this point, we want to share with you a few last minute tax tips you may want to use to make your filing process as seamless as possible.

1- Contribute to your IRA.

According to the IRS, if you have a traditional IRA, you can still contribute up to \$5,500 to it for the 2018 tax year until the April 15th deadline. If you are over the age of fifty, the amount increases to \$6,500. Even if you do not have a traditional IRA, you still have time to open one and contribute to it until the filing deadline. If you qualify for the traditional IRA tax deduction, the amount you have contributed may be deductible on your tax return.

2- File your taxes even if you are unable to pay.

This is the first time we are filing our taxes under the new tax law. As a result, many people are

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finding that they are receiving less than they were expecting on their refunds or even owing money. If you find yourself owing more than you expected, it is crucial that you file your return anyway. If you fail to file, the IRS can impose a monthly penalty on top of your unpaid balance. If you file your return and need a few months to pay off the balance, the IRS can offer you an individual payment plan if you qualify and you can learn more about it on the IRS website.

3- Ask for an extension if necessary.

If you are still not ready to file your taxes by April 15th, you may request a six-month extension from the IRS. Typically, the IRS will grant an extension if it is requested before the filing deadline. The IRS does, however, reserve the right to deny a request for extension. The extension, if granted, only provides you with more time to file your taxes, not to pay any amount that you may owe. If your tax bill is higher than you were expecting, consider setting up a monthly installment plan to pay off your bill. You will still have to pay interest on any unpaid balance each month, but this may be an easier way for you to manage your tax bill.

We know that taxes can be a complicated topic, however, it is important to be prepared. Our goal is to share key tax tips to keep you informed. We know this article may raise more questions than it answers for you. Do not wait to contact your personal accountant on this issue or contact our office to schedule a meeting on your estate plan with attorney Alan Hougum

Could Ancillary Probate Be Necessary For Me?

Did you know owning property in one state when you live in another one can present difficulties in your estate planning if you only have a last will and testament, or no estate planning at all? Unfortunately, this is a focus of conversation that many of us do not contemplate until it is too late to effectively plan for our estate.

Knowing that it could be an issue, you may have concerns. You may wonder how the probate court will handle distributing your property outside your state or about placing an additional burden on your loved ones at an already stressful time. You may also want to know if taking the extra step to plan for your property outside your state of residency now is even necessary.

This is where the ancillary probate process comes into play.

The probate laws of each state control how real estate and other assets are distributed after someone dies. An additional, or ancillary, probate process may be necessary if your out-of-state property, such as a car, a vacation home, or even the right to mine oil or gas on land, is titled in the second or third state.

Generally, the probate process begins when a last will and testament is filed in the state you live.



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Whether a person's estate will need to go through ancillary probate typically depends on the status of the property he or she owns and the state laws pertaining to the transfer of this property. The probate court in the state where your property is located may need to accept or admit the will with your out-of-state property, if there aren't any challenges, as a "foreign" will. The out-of-state court may then also accept it or have its own independent process.

The executor or personal representative named in your will needs the same powers and responsibilities in each state for authority over the property. The ancillary probate process is often shorter than the one in the primary state, however, the executor of the primary last will and testament will most likely need a lawyer in the second, or third, state to handle the procedure.

Ancillary probate might not be required, however, if you plan ahead. With the guidance of your home state attorney, you may choose to take early measures to create a funded trust agreement or to transfer the ownership of the property during life. Remember, state regulations differ, so it's best to talk to your estate planning attorney to determine how your specific circumstances apply in each of the locations involved.

If you have any questions about ancillary probate, don't hesitate to contact us to schedule an appointment with attorney Alan Hougum. It is important to make sure your assets are transferred to your heirs and are protected the right way, without confusion and hassles for your loved ones.



305 S. 18TH AVENUE, SUITE 200
WAUSAU, WISCONSIN 54401
WWW.HOUGUMLAW.COM
715-843-5001
INFO@HOUGUMLAW.COM



Attorney Alan Hougum and his compassionate team will help you protect yourself and the people you love with strategic planning strategies, such as wills, asset protection and trusts, powers of attorney, estate trusts, elder law planning, Medicaid crisis planning, Medicaid eligibility and application, probate and estate administration, avoiding probate, charitable planning and giving, special needs, and estate tax planning. Hougum Law Firm, LLC, serves the entire Wausau, Wisconsin area.

Our office is located in Wausau at
305 S. 18th Avenue, Suite 200, Wausau, Wisconsin 54401. Do you have questions you need answered before or after your appointment? Just let us know! Contact us by email at info@hougumlaw.com or call us at 715-843-5001.