



A New Year Brings New Tax Laws

(NAPSA)—Perhaps the only thing more certain than taxes is the fact that each year brings changes to the tax laws.

For example, did you know that tax rates were lowered by $\frac{1}{2}$ percent across the four highest income tax rates? Plus, a new 10 percent tax rate is now applicable to the first \$6,000 for singles, \$10,000 for heads of household and \$12,000 for married persons filing joint returns.

There's also a new tuition deduction that applies to students and others who pay for college or other post-secondary education.

Qualified persons may now deduct up to \$3,000 in expenses for tuition and fees if their modified adjusted gross income is at or below \$130,000 (if married) or \$65,000 (all others). Married persons filing separate returns are not eligible at all.

A new educator's deduction of \$250 applies to elementary and secondary school teachers, counselors, principals and aides. Qualified persons may now deduct up to \$250 in expenses for books, classroom supplies and computer equipment regardless of whether deductions are itemized.

A new minimum allowable contribution has been established for taxpayers who participate in a 401(k) or 403(b) plan at work. The maximum contribution to these plans is now \$11,000 for 2002 or \$12,000 for those persons age 50 or older by the end of the year.

There's also an increase in the maximum deductible contribution



Changes to the tax laws may affect those paying tuition or contributing to a 401(k).

for IRAs, to \$3,000 or \$3,500 for persons age 50 or older by the end of the year.

Fortunately, for those who want to get the most out of the retirement tax law changes, the maker of what's been described as the number-one selling tax preparation software has introduced a new product to make retirement planning easier.

The TurboTax® Deluxe Retirement Planning Edition is for anyone who wants to understand the tax implications of their retirement plan.

It starts with the same tax-saving tools included with TurboTax Deluxe, and then adds a complete suite of retirement-specific tax tools to help users maximize tax-saving opportunities in planning for, and enjoying retirement.

To learn more visit the Web site at www.turbotax.com.