

# BUSINESS

## From candy to new cars, there’s a best season to buy

BY ANNE D'INNOCENZIO  
*Associated Press*

NEW YORK — For those willing to wait, there's a best time of year to buy all kinds of things, from TVs to bathing suits.

“Retail is very seasonal,” said Benjamin K. Glaser, features editor at DealNews.com, a leading comparison shopping website. “If you are on the fence, making a new purchase, these seasonal cycles could really make a difference.”

Traci Gregorski, senior vice president of Market Track, which monitors prices online and in stores, studied more than 150,000 promotions from February 2014 through January to find the lowest prices on various categories.

Here, a month-by-month guide, based on feedback from experts:

**JANUARY:** Take advantage of the post-Christmas sales and stock up on wrapping paper, holiday cards and decorations. Also, it's an ideal time to buy winter clothing like coats. Stores also offer deep discounts on sheets, towels and blankets for their annual “White Sale.”

For those looking for good discounts on top-notch TVs, it's best to shop during Super Bowl season. Glaser spotted all-time low prices on 4K TVs in the two weeks before the Super Bowl this year including 55- or 65-inch TVs, with prices around \$550 and \$999, respectively.

**FEBRUARY TO MARCH:** Partake in the post Valentine's Day sales to get fat discounts on pricey candies. Godiva.com, for example, is discounting up to 40 percent on select chocolates. It's also the best time to buy sofas and other furniture as retailers start slashing prices on older inventory to make room for new models. Glaser estimates discounts of 30 percent to 50 percent, but select items can be discounted as much as 90 percent.

**APRIL:** Stores use this month to discount athletic footwear. Gregorski says discounts on older shoe models are reduced as much as 30 to 40 percent. Newer sneakers are discounted by about 15 to 20 percent. It's also the best time to get bikes and other outdoor playthings like noodles for the pool.

**MAY:** Take advantage of Memorial Day sales to buy spring clothes. Stores discount them heavily to make room for summer apparel. Glaser also says stores discount mattresses as much as 50 percent. It's also an ideal time to buy tablets and desktop computers as stores want to attract shoppers before back-to-school shopping kicks into high gear. Gregorski estimates discounts can be up to 25 percent.

**JUNE:** Looking for some hedge trimmers? Experts say lawn care equipment like rakes, shovels, and bush trimmers all have the lowest prices during this month.

**JULY:** You might be a little sweaty in your house in June but wait until July to buy an air conditioner. Discounts range from 20 percent to 35 percent, Gregorski estimates. It's also a good time to go swimsuit shopping.

**AUGUST:** Shoppers will see the biggest discounts on school supplies like backpacks and notebooks as the back-to-school shopping season winds down, Glaser says. Prices of outdoor grills also drop.

**SEPTEMBER:** If you didn't upgrade your mattress over Memorial Day, then enjoy the big sales that match the discounts in May. And if you want a new laptop, buy one early in the month to take advantage of lingering back-to-school sales. Laptop prices typically drop an extra 8 percent to 25 percent in early September, says DealNews.com. Also, this is a good time to buy back-to-school clothing.

**OCTOBER:** Looking for a car? Auto dealers tend to drop prices from October through the end of the year as they clear their inventory to make room for the new models, Glaser said. While the back-to-school sales are pretty much over, jeans sales linger, and Glaser says this is the best time to buy them.

**NOVEMBER:** It's all about the Black Friday sales, which now extend over two days: Thanksgiving and the day after. But the best deals of the year are on major home appliances including washer or dryers, as well as TVs. Shoppers can enjoy discounts of 30 to 40 percent on washers and dryers. And if you're not picky about a deluxe TV, you can take advantage of discounts: Retailers like Wal-Mart and Target usually work with manufacturers to create exclusive versions specifically for Black Friday.

**DECEMBER:** You can get generous discounts on basic toys, not the hottest playthings of the season. Surprisingly, that's also when prices on lawnmowers drop.

## The deadline looms



Getty Images

The odds of not having your taxes audited are in your favor. But getting caught for not reporting your full income can get ugly. See [irs.gov](http://irs.gov) for guidance.

# A taxing time

## Kids in college? Take advantage of these credits

*New York Times*

With income tax season well under way, college students and their families should brush up on tax benefits that can help lower their education costs.

Families spend an average of \$24,000 a year on college, but just over a third take advantage of federal tax credits and deductions to help make college more affordable, according to research from Sallie Mae.

These education tax benefits, which are based on criteria including the filer's income, can help offset the cost of tuition, fees and related costs. (Credits reduce the tax owed, while deductions reduce the amount of income on which the tax is calculated.)

The benefits have varying rules and limitations, and deciding which one works best can be a challenge, said Michael Sonnenblick, a tax analyst with Thomson Reuters. But the tax savings can be meaningful, so it's worth taking the time to see if you qualify.

The **American Opportunity Tax Credit** lets families reduce their tax bills by as much as \$2,500 a student, for the first four years of higher education. To get the full credit, a single taxpayer can have 2015 income of up to \$80,000, Sonnenblick said. A partial credit is available for income up to \$90,000. (The comparable income limits for married filers are \$160,000 for the full credit and up to \$180,000 for a partial credit.)

The credit is partly refundable, so even if you owe no taxes, you can get up to \$1,000 back as a

refund, if you qualify.

The **Lifetime Learning Credit** offers a credit of up to \$2,000 a year, per taxpayer return (rather than per student). It can be used for any post-high school education, the course of study doesn't have to lead to a degree, and there's no limit on the number of years it can be claimed.

The credit is available to those with 2015 income of up to \$65,000 for single filers, and \$130,000 for joint filers (the credit is gradually reduced, however, for single filers making more than \$55,000 and for joint filers making more than \$110,000). Unlike the opportunity credit, the lifetime credit isn't refundable.

If you don't qualify for a credit, you may be able to use the deduction available for tuition and fees. You can take the deduction, even if you don't itemize on your return. Single filers can deduct up to \$4,000 if their income is \$65,000 or less (\$130,000 or less for joint filers). The deduction is \$2,000 for single filers with income between \$65,000 and \$80,000, and for joint filers with income between \$130,000 and \$160,000. Filers with higher incomes aren't eligible.

Families can't take both the deduction and a credit in the same year, Sonnenblick said: “They don't mix,” he said. “You can take a deduction or a credit, but you can't take both.”

For more details on education credits and deductions, including eligible expenses, see IRS Publication 970, Tax Benefits for Education ([tinyurl.com/jycezg5](http://tinyurl.com/jycezg5)).

## More benefits from higher education

Here are some answers to common questions about education tax benefits:

### Can I claim both the American Opportunity Tax Credit and the Lifetime Learning Credit?

An individual student can claim just one of the tax credits in a given year. A family with two or more children, however, can claim different credits for different children, Sonnenblick said. “You can take them in the same year,” he said, “but not for the same student.”

One common approach is for a family to take the American Opportunity Tax Credit for four years when the student is an undergraduate, then switch to the Lifetime Learning Credit when the student goes to graduate school, said Betsy Mayotte, director of consumer outreach and compliance at American Student Assistance.

### How can I tell if I'm eligible for the tax credits?

The Internal Revenue Service offers an interactive tax assistant tool on its website (<http://tinyurl.com/zza8zrj>), which can help you see if you can claim the credits.

Figuring out which one is the best deal, however, can be tricky. You may want to calculate your tax return for each option using tax preparation software, or seek professional tax advice.

### Can I deduct the interest I pay on my student loans?

If you borrowed money to attend college, you can deduct the interest paid on both federal and private student debt, even if you don't itemize. You can reduce your taxable income for 2015 by up to \$2,500, if you meet the income requirements. The deduction is available for single filers making up to \$80,000, and married taxpayers with income up to \$160,000.

If you paid more than \$600 in student loan interest, you'll receive Form 1098-E showing how much you paid.

## It never pays to get ‘fishy’ with returns

BY MICHELLE SINGLETARY  
*Washington Post*

When he was little, my son couldn't get enough of *SpongeBob SquarePants*. I fell in love with it, too.

And I used to know a fair amount about the cartoon and could best my son — sometimes — when we played “Fact or Fishy,” a trivia DVD game about the adventures of SpongeBob and his friends in the underwater city of Bikini Bottom.

I thought about the game after reading the National Association of Enrolled Agents' list of tax myths that many people have come to think of as facts. How would you score on these questions?

### If you file for an extension, you don't have to pay by the deadline.

Fishy. Come on, it's the government. When you file IRS Form 4868 to get an extension to file your return, it doesn't allow you to delay paying your taxes. You have to estimate — and pay — how much you owe.

Here's another fact: Get more time if you want, but the penalties for not filing or not paying on time are no joke. Search [irs.gov](http://irs.gov) for “Eight Facts on Late Filing and Late Payment Penalties.”

### Married same-sex couples can continue to file using the “Single” status.

Fishy. The IRS issued a ruling that, as of tax year 2013, legally married same-sex couples generally must file as married, either jointly or separately.

Go to [irs.gov](http://irs.gov) and search for “same-sex spouses.”

### I can deduct the entire cost of my business lunches.

Fishy. I hear this all the

time from entrepreneurs bragging that they can fully deduct business meals. If you think that's true, get thee to a tax professional before the IRS gets you. When it comes to a business lunch, it's a deduction. You can deduct only 50 percent of meals as an entertainment expense, the group reports.

A deduction reduces the total amount of income that is used to calculate the taxes you owe. But people confuse a deduction with a credit, which reduces your tax liability dollar for dollar.

I have a couple of fact-or-fishy questions of my own:

### The IRS is too overwhelmed to catch me if I don't claim all my taxable income.

Fishy: Mess with the IRS if you want. But I wouldn't.

I've heard people say they know folks who don't report all their required income, and the IRS has yet to catch them. But if you are caught, it's not pretty. For more guidance, go to [irs.gov](http://irs.gov) and search for “What is Taxable and Nontaxable Income?”

### Yippee, a refund is a good forced-savings strategy.

Fact and Fishy: As of the second week of February, the average refund was \$3,224. If you divide that over a year, that's almost an extra \$269 a month you could have had to pay down a debt or cover various expenses.

Whatever the size of your refund, divide it into two or three financial accounts, including a savings account, an IRA or a U.S. Series I Savings Bond. You can use IRS Form 8888 or tell the IRS where to electronically direct your money so you won't be tempted to race your refund to the mall.

## So here's how you SHOULD spend your refund

### PRIORITIZE

First and foremost, set a goal and an action plan for your tax refund. If you let it absorb into your checking account, you'll end up spending it on minor expenses that don't really matter. Instead, you can use your tax refund to address problem areas or opportunities in your financial life. Here, in order of most to least important, is where you should put your money.

### PAY DOWN YOUR DEBTS

Even the smallest tax refund can help pay a portion of outstanding debt, like a mortgage, car payment,

credit card balance or student loan, giving your principal power over high interest. If debt is your biggest financial worry, you should consider devoting your entire refund toward paying it off.

### PAD YOUR EMERGENCY FUND

Experts say that everyone should have three to six months' worth of money saved up to cover emergency expenses. Without an emergency fund, you're vulnerable to all sorts of unexpected occurrences — unemployment, a medical emergency, a hefty car expense, just to name a few. Build up a \$1,000 cushion.

### MAKE TAX-FREE CONTRIBUTIONS

If you've decided to save your tax refund, do it tax-free. Go beyond the rainy day fund, and look into investing the money in a tax-deferred individual retirement account like a 401(k).

### START INVESTING

Your tax refund can also act as a foundation for other investments, even if your check is less than \$500. There are plenty of small investment options out there — including individual stocks, mutual funds and dividend reinvestment plans - that you can try with your tax refund.

*GOBankingRates.com*

Though tax season may be daunting, there's at least one thing about it you can look forward to: the arrival of your tax refund.

During last year's filing season, the average tax refund was \$2,797. That's enough money to buy five Apple Watches, treat yourself to a Caribbean cruise or snag a couple of VIP tickets to the Coachella music festival.

The urge to splurge your tax refund on something “fun” will be strong. However, it's important that you take a good look at your finances before your blow your tax refund on something nonessential.