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## TEN TAX TIPS

1. Give away clothing and household items that are gently used and no longer needed. Put these in a plastic garbage bag or shopping bag in the bottom of a convenient closet. Keep a legal pad next to the bag. Each time you drop in an item, list it in the first column. Be sure to include the original cost in the second column on the same line as the item.
2. After you make your donation, total the cost amounts in the second column. Now multiply that total by 40% to get the allowed tax deduction. Before you put the list and receipt in your tax file labeled "Taxes: Non-Cash Donations", staple or clip them together. Now start a new bag and list.
3. When you pay the ad valorem tax for your car, put the duplicate receipt that comes with the decal in the tax file labeled "Taxes: Taxes Deductions".
4. Keep all medical receipts (even for co-payments) for the entire year. If you have a serious illness or loss of income, you may be able to deduct your medical expenses. If you buy health insurance privately or through COBRA, you get a tax credit and/or deduction depending on your circumstances.
5. At the end of the year put your bank statements in the box or file with your tax return for that year. Consider check imaging instead of getting your actual checks back each month. The copies are sufficient and so much easier to file.
6. Don't be in a hurry to pay off your mortgage. Get an equity line and use that instead of credit cards to finance any needs you cannot meet with regular income. Mortgage and equity line interest is low and generally tax deductible. Car loan and credit card interest is not tax deductible.
7. When you sell stock during the year, put the sale confirmation statement in a tax file labeled "Taxes: Capital Gains". Locate the original cost of the stock and put that document in the same file. Your accountant will have a much easier time determining the taxable gain or loss.
8. If you have your own business, keep track of your income and expenses in a journal or with financial software. Make sure you have your original receipts in folders for each category, i.e. gifts given, meals and entertainment, office supplies.
9. If a company employs you, take advantage of childcare and medical reimbursement plans. Estimate your annual expenses and turn in proper paperwork monthly. Calculate your tax savings and decide that the benefit is worth the time and effort.
10. Ask your accountant to explain your return to you. Make sure you get all the deductions to which you are entitled. Be an educated consumer!