FINANCIAL E-BOOK

TOP 10 MOST OVERLOOKED TAX DEDUCTIONS

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So you aren't fretting at tax time, maybe it will make sense over the next 9 days to put together an effective year tax management strategy to keep as much of your hard earned dollars as possible in your wallet. Every CPA or accountant seems to have a slightly different slant on the tax code, but here are your smart money moves tips that may be able to help you increase your bottom line. Remember to talk with a qualified CPA or Financial Advisor before you decide to implement.

1. Charitable Mileage

Most taxpayers are very good at keeping receipts of their cash donations that they make to the organizations they donate to during the course of the year. One of the deductions few taxpayers pay attention to is the charitable mileage deduction. For 2015, you can deduct .14 cents per mile driven for rendering gratuitous services for charitable organizations. Don't forget fees and tolls as well (www.irs.gov). Consider the amount of time that you give gratuitously during the course of the year for your religious organizations, charitable causes you support, or possibly

2. Non-Cash Charitable Contributions

Most taxpayers literally get a blank receipt from the Salvation Army, Goodwill, or some other charitable organization and then tell their accountants that they donated a bag or two for $50. What a huge mistake!! The reason you have the blank receipt is to itemize everything you give away line by line to maximize the legitimate deduction. You could go to www.satruck.com to see the Salvation Army's list of low and high value per item, but then again you need to really examine the true fair market value of each item. Make sure you have good documentation and receipts.

3. Form 2106 (Employee Business Expenses)

If you look at the number at the bottom of page one of your personal tax return you will see an amount called your adjusted gross income. It is an important number because it sets the bar on other potential deductions you can take. Since employers today are reimbursing less and less employee expenses, you should keep very close track of your unreimbursed employee expenses. You must make sure the expenses are for ordinary and necessary items that help you carry on your normal trade. You can see an entire list of possible deductions on the IRS website. This could be a big one come year end.

4. Know The New Tax Rates

You may be thinking about cashing in stock before year end or potentially have the opportunity to defer a bonus to next year. This year, for married couples $250,000 AGI, $300,000 AGI, and $450,000 AGI are all important thresholds. If you go over these limits as a married couple ($200k, $250k, and $400k for single) you may trigger some potentially damaging additional taxes. This is why you should review your pay stub, triggered stock sales, and much more to be certain you don't get hit for some extra dough.

5. Student Loan Interest

(often missed after someone graduates college) For 2015, a taxpayer can potentially deduct up to $2,500 in student loan interest, regardless of whether or not you itemized your tax deductions. The deduction begins phasing out at $65,000 for single filers and $130,000 for joint filers this year.

6. Tuition Deductions

(people often don't include because they don't understand) For 2013, it is possible for you to deduct up to $4,000 for higher education tuition and qualifying fees. The deduction phases out at $80,000 for single filers and $160,000 for joint returns.

7. The Charitable IRA

You can give up to $100,000 of your IRA to a charity and escape paying any taxes on that amount. Far better to potentially gift that away versus using cash, especially for those over 70 ½ who are forced to make a required minimum distribution.

8. Convert To A Roth IRA

As the saying goes, taxes and death are the two inevitabilities of life. One question you should be asking is whether it is better to pay tax now or pay tax later. If you had an off year or a down year in your income, it may make sense to convert some or all of your Traditional IRA's to Roth IRA's.

9. Pay Your State Estimated Taxes Before Dec. 31st

If your state has a state income tax, the state income tax paid during the year is deductible as an itemized deduction on your federal tax return. The fourth quarter estimated installment for 2014 is due on January 15, 2016 for most states. If additional state income tax payments in 2014 can benefit you as an itemized deduction, you should get that payment in before the end of the year.

10. Business Owners... It's Shopping Time

If you have a business, and you anticipate purchasing additional equipment for the business, consider taking advantage of the bonus depreciation deduction and/or the Sec 179 expensing deduction. Equipment includes machinery, computer systems, communication systems, office furnishings, etc.