

Ten Tax Saving Ideas

By knowing what tax deductions a person is allowed and keeping track of receipts all year round a person can have great savings on his/her taxes.

June 26, 2005 -- Most people scramble the first four months of the year to find lost receipts and scrape together as many tax deductions as possible to minimize their tax liability. April 15th has come and gone. Tax refunds have been received and spent and with summer here, we try not to think about the unpleasantness of taxes. But in reality, tax planning is much easier when considered all year around. It is much easier to remember where a receipt is and what it is for now, than it will be in a year from now.

It is very simple to make tax time easy and less painful. Make file folders with the following headings that apply to your situation. Once a week or month file the receipts in the appropriate file. When tax time rolls around, it will be organized in one place and you will not be looking in the back of drawers and in couch cushions for receipts. Here are ten suggested categories and what they encompass.

Income From Wages- Pay stubs from your job.

Other income - Side jobs, interest and investment income.

Medical Expenses - Doctors, dentists, hospitals, glasses, mileage, prescriptions, insurance premiums.

Taxes Paid - Taxes on real estate, vehicles and income taxes paid.

Mortgage Info - Payment receipts, refinance papers and copies of checks.

Cash Donations - Cash you pay to any non profit organization such as churches, scouts, United Way, PTA, etc. Keep track of mileage for charitable activities.

Noncash Donations - Anything you donate to a non profit organization such as clothing to the Salvation Army or a car to the Kidney Foundation.

Work Expense - Anything you spend for the production of income through your job. It includes tools, supplies, cell phones, etc.

Child Care - Receipts and copies of checks for day care providers. Make sure you get their federal ID number and keep it on file.

Educational Expense - Receipts for college tuition, books, and class fees. These can be for parents and/or students.

Kathy Anderson, president of Lone Peak Business Solutions states, “It always frustrates me when people have to pay more taxes than they need to. All it takes is a few minutes each week to save hundreds of dollars in income taxes. Our money is much better spent by us than the government.”

For more tax saving ideas check out: www.lonepeakbusiness.com.