

Tax Savings

Well, it's that time of year again. Time to think of taxes and what to do about certain things.

Here are some tax savings ideas that I suggest to anyone who will listen (or not).

If you have a 401(k) or similar plan at work- max it out. Even if your employer no longer does matches. It will lower your taxable income.

Charitable deductions- get those checks in the mail before 12/31! You can deduct up to 50% of the bottom number (AGI) on page one of your tax return. Keep in mind that you need to prove it out if asked!

IRA- it's good to put money into it. You have until 4/18 to make the deposit. Most tax programs will let you know how much you can contribute.

If you had a large refund last year (tax year 2009), consider changing your W-4 at work and increasing the exemptions. I would rather be able to pay the phone bill and grocery bill during the year than wait for my tax refund to get caught up. No sense in letting the Government use your money interest free.

If you had to owe money, consider lowering your exemptions on the W-4. This will increase your withholding.

If you have tax questions that need to be answered, please email me at kristhetaxlady@gmail.com. I will answer your questions in the column or by personal email.

Next week: The end of year tax checklist