



Personal Tax Tips

- **Charitable Donations.** As a donor, you may not deduct labor or time, but you may deduct expenses such as mileage, uniforms, and even the cost of taking underprivileged youth to sports events or movies.
- **Medical Expenses.** It's difficult to reach the percentage of adjusted gross income you need to spend on medical expenses to be eligible. But if you qualify, you shouldn't overlook all possible expenses. Sometimes, it's even best for married couples to consider filing separately if one partner has high medical bills.
- **Moving Expenses.** If you moved more than 50 miles for work and stayed employed, you might be able to deduct reasonable moving expenses. No itemization is necessary.
- **Mortgage Interest Points.** Points paid on a home mortgage are usually deductible as interest. If the mortgage is for the purchase or improvement of your principal residence, you can either deduct the full amount of the points in the year of payment or, if you're not itemizing your deductions that year, pay back the points over the loan term.
- **Retirement Plan.** One of the most powerful tax shelters available is a qualified retirement plan. Within certain limits, contributions to fund the plan are immediately tax deductible, plan investment earnings are tax deferred, and plan participants do not have to pay income taxes on benefits until they receive their distributions.

Business Tax Tips

- **Business Automobiles.** You can claim deductions for the business-related use of an auto using either the standard mileage rate method or the actual expense method. You should use the method that will yield the largest deduction.
- **Hiring Your Children.** If you have your own business, consider hiring your child to work after school or on vacations. The wages you pay your child for bona fide work are tax deductible.
- **Home Office Expenses.** To qualify for a deduction related to an office in the home, you must have an area of your home used exclusively as your principal place of business. This includes a place of business where you meet or deal with patients, clients, or customers.
- **Profit-Sharing Plan.** Unlike other plans, a profit-sharing plan is flexible. It can be designed so that the employer is not required to make an annual contribution.