

5 Things To Do Before Year End To Reduce Taxes

1. **Purchase equipment for your business**- You can take a deduction of 50% of the cost of furniture, fixtures & equipment purchased & placed in service in your business before 12/31/10. This provision may disappear next year!
2. **Start a Business**- If you don't have a business- start one! Even if you have a W-2 job, you can have a business on the side. It must be a valid business that you spend time on. Then you can deduct expenses related to that activity to offset wage income.
3. **Charitable Donations**- Yes, the age old idea of cleaning out your closets and donating to Goodwill before the end of the year. But now you must be able to prove the items were in "good" condition. Take pictures, keep detailed lists and get receipts.
4. **Incorporate Your Business**- If you are going to receive a lot of income before the end of the year think of incorporating and transferring the income to either a C corporation or an S corporation. Both have ways to save you taxes. Call us for help.
5. **Pay Both Installments of Your Property Taxes In December**- Remember the only way this will help is if your income is going to be lower next year than this year. If you have high income this year due to bonuses or commissions, pay all of the property tax and take the deduction on 2010.