



END OF THE YEAR TIPS FOR TAX SEASON

MAKE CHARITABLE CONTRIBUTIONS

The time of giving is upon us, which provides you with some opportunities for last minute deductions. It's true, charitable contributions are tax deductible, but it's important to note this doesn't apply to every single type of donation. The recipient must be a qualified charitable organization. This means that the organization to which you're donating to must meet the requirements under section 501(c)(3) of the Internal Revenue Code. Basically, none of the organization's earnings can go to individuals/shareholders and/or they cannot participate in/influence political campaigns.

CONTRIBUTE THE MAXIMUM TO RETIREMENT ACCOUNTS



IF YOU WORK FOR A COMPANY

Increasing your contribution to your retirement account will make you happy down the line. If your employer offers a 401(k), you should increase your contribution to the max amount. If you're unable to, we recommend that you contribute the minimum amount that will be matched by your employer.

If your employer offers an IRA, you should consider contributing to one. Through making deductible contributions, you can reduce your taxable income for the year. When you start contributing, the money put in can start to grow tax-deferred.

IF YOU'RE SELF EMPLOYED

If you work for yourself, have no fear, there are retirement options for you as well. As your own boss, you can take advantage of a Keogh plan. If you haven't started one already, now's the time as these plans must be established by December 31st. Contributions, however, can be made up until April 15th.

DEFER YOUR INCOME

One strategy you might seek to take as this year draws to a close is to defer your income. This makes sense if you believe you'll be in the same tax bracket next year. If the deferred income could push you into a higher tax bracket next year, you might want to avoid that so you don't get a higher tax bill. If you work on a freelance basis or own your own company, this may be an easier option since you have more control. As an employee of a company, you tend to get paid by someone else's schedule, but this strategy could be utilized if you get an end-of-year bonus.

SELL INVESTMENTS

This time of year you might want to sell off investments (stocks, mutual funds, etc...) in order to realize losses. You can use up to \$3,000 of excess loss to offset your gains. If your losses exceed \$3,000 they can be carried into next year.



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