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TaxLogic provides prompt, professional, personal, one-on-one tax preparation from the comfort of your home. We are competitively priced and offer a lot of additional information on our web site - <http://www.taxlogic.com>. With just 6 weeks left, if you haven't started your tax return, now is the time. April 15th will be here before you know it.

Continuing our series on Helpful Tax Tips, they can help you with this years tax return preparation if you still haven't filed, but will also help you in your tax planning for future years. Not all these tips will be applicable to your personal situation but feel free to ask questions where some of these items may be applicable to your individual circumstances.

- 1) Personal Property Taxes: The portion of vehicle registration based on the value of the vehicle is a deductible personal property tax. In fact all "ad valorem" (excise taxes) taxes that are taxes assessed by a government department that are based on the value of the underlying assets are deductible as itemized deductions on Schedule A.
- 2) Gambling losses: These are deductible on Schedule A as long as they do not exceed the gambling wins shown on Line 21 on Form 1040. But remember: Documentation is key. Keep those losing lottery tickets during the year to offset that winning ticket at the end of the year. You must have receipts to verify your gambling losses. In addition the losses are not subject to the 2% floor generally required for other non-reimbursed business expenses.
- 3) Tip Income: If you have allocated tip income reported on your W-2, you may want to keep your own daily log sheet instead of relying on your employer to do it for you. Many employers calculate allocated tips by a method approved by the IRS, and many times this does not reflect the actual amount of tip money you received for your hard work. If you keep your own log sheet showing the date and amount received during your shift, you are allowed to claim the lesser of the two amounts as your tip income.
- 4) Getting Married: That's right, even deciding when you tie that knot will make a difference in your taxes. Postpone a Christmas wedding until after the first of the year and the tax savings could help pay for the honeymoon. There is a marriage penalty if both married partners work. For example, in 2002, two single individuals who each earned \$24,000 in taxable income - for a total of \$48,000 in taxable income - would have paid \$3604 each in taxes for a total outlay \$7208. However, as a married couple filing jointly, their taxable income would have been \$49,500. They would have been required to pay \$7969 in taxes - \$761 more than what they would have had to pay had they remained single.
- 5) Business Travel, "Temporary vs. Indefinite": If you have a new work assignment and it lasts less than one year, it is a temporary assignment. Transportation, lodging, meals and incidental expenses are deductible. If the assignment is reasonably expected to last more than one year, the expenses are not deductible. Keep records of the number of nights that you were away. You can get the applicable per diem rates from <http://www.policyworks.gov>

Thanks for choosing TaxLogic!

<http://www.taxlogic.com>

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- Corporate Federal and State Preparation
- Quickbooks® Consulting
- Annual Minutes for your company
- Internet based Bookkeeping course
- Internet based Payroll Preparation Service