

# THE 7 TOP TAX TIPS...



## That Every Business Owner Should Know!

Taxpayers this year don't have to worry about a lot of tax surprises. But even in the most stable tax and political environments, there's always something to worry about when it comes to taxes. Here are 7 Top Tax Tips you should know.

- 1. If you're self employed or incur expenses on behalf of your employer, consider using your smart phone to keep track of business expenses and business mileage on your vehicle.** There are several apps, and some are free, that allow you to document and summarize your business expenses without keeping paper receipts. Talk about handy! All the information you need is right in your pocket!
- 2. If you are self-employed, you may be able to reduce your income taxes by making a contribution to a SEP-IRA by the extended due date of your tax return.** The amount of your deduction could be as much as 20% of your business earnings.
- 3. If you owe money with your tax return but can't afford to pay all, still file a return by April 15.** Not filing will get you into even more trouble with the IRS who can add late filing penalties on top of the tax owed. If you owe less than \$50,000, however, you can work out an installment agreement online by visiting [www.irs.gov](http://www.irs.gov).
- 4. Many people like to receive a large refund, but that's giving the IRS an interest free loan!** Instead, consider having less tax withheld from your paycheck. You'll receive a larger take-home pay or you can have the excess you're paying to the government put into a savings account or 401(k). Remember to fill out a new W-4 if you do this.
- 5. If you converted some or all of a traditional IRA to a Roth-IRA last year but discovered that it put you into a higher tax bracket or if the investments have since declined in value, you may have until October 15 of this year to "recharacterize" your Roth IRA back to a Traditional IRA.** Even if you've already filed last year's tax return you may still be able to file a return to get a refund.
- 6. If you have one or more children in college who have taxable income, be sure you're not missing out on valuable education tax credits which could be lost if you claim the children as dependents on your tax return.** Consult a tax expert who can help you make sure that you aren't leaving money that can be yours, to the IRS. They have enough of our money already.
- 7. If you have a need to acquire new equipment to be used in your business, consider buying it and placing it in service by the end of the year.** Section 179 expensing provisions may allow you to significantly reduce or even completely eliminate your taxable business income.

**The best tip of all** - use MDG's team of tax professionals and advisors to ensure every allowable deduction is taken for you and your business.



Certified Public Accountants and Consultants

261 Old York Road, Suite 900, Jenkintown, PA 19046  
T 215-572-7790 F 215-572-8945 W [mdgcpas.com](http://mdgcpas.com)