

Year-end tax saving tips:

The 2015 clock is ticking on these last-minute tax saving ideas.

Give to charity

Short of cash? You can still make a last minute gift. Charge your deductions on a credit card and pay later. Consider giving through www.justgive.org. You can privately give to thousands of rated charities with a credit card. Your donation goes directly to the charity, and justgive.org will send you a confirmation and a year-end summary.

Or, better yet, you don't even have to spend money to take a charitable deduction.

Clean out your closets of unwanted items to make a noncash gift. Keep in mind, the items must be in at least good condition. You should omit items of minimal value (socks and underwear), and thoroughly document the donation.

If you plan on donating a vehicle before year-end, beware of the rules. Select a charity that will either use or improve the vehicle, and you will be able to deduct *fair market value*. Otherwise your deduction will be limited to the price the charity got when they sold the vehicle. The charity will give you a 1098C to attach to your tax return documenting the contribution.

If you have a stock or piece of property that has increased in value, you can deduct the full value and avoid paying capital gains tax by donating it to charity. If you want to give stock that has fallen in value, sell the stock, take the loss, and give the money to charity.

Check your tax payments to avoid penalties

The IRS will charge a penalty if your tax for 2015 is less than 90% prepaid unless your payments are at least equal to last year's tax. (110% of last year's tax if your income exceeds \$150,000). You can boost your itemized deductions and possibly save yourself from a penalty by sending your last state estimated tax payment before December 31st.

Check your portfolio

If you are in the 15% tax bracket or lower (gross income under \$47,750 single or under \$95,500 married) you may be able to sell stocks or property at a gain in 2015 and pay no Federal tax. If you are in the above tax range, or even higher if you itemize, it might be wise to check out the possibility.

If you missed out on last year's credits or deductions because your income went over the limits, it might be wise to check your portfolio for some losses to reduce your income. You can offset up to \$3,000 of other income with stock losses. If you wish to repurchase the stock again, wait at least 31 days to avoid wash sale rules.

If you are planning on deducting worthless stock, remember that it's not deductible until it's completely worthless.

Self-employed?

Pay all bills already received for operating expenses rather than deferring payment until 2016. If you need new equipment, save tax dollars now by purchasing before year-end. Remember that you can charge on a credit card and receive a current deduction.

To channel your income into next year for a cash basis business, you must be certain it is not constructively received. You can delay your billing to next year to defer income to 2016.

Are you a high income taxpayer?

If your income is over \$200,000 (single) or \$250,000 (married joint), you will be subjected to surtaxes. Some year-end tax planning might be in order to channel income into the year that minimizes these taxes.

