

Five Ways to Make Your Tax Returns Something to Smile About

By *Stacy Francis, CFP®, CDFA*

Hundreds of millions of dollars in deductions and tax credits slipped by last year because tax payers didn't do the relatively simple things necessary to take advantage of them. Put the below tips into action and your pocket book will thank you later!

Five ways to make your tax returns something to smile about

1. **Compare standard versus itemized deductions** – Take out that pencil and put on your thinking cap. Take a tally of the amount you will be able to claim for your itemized deductions in 2008. Next, put the amount of your 2008 standard deduction next to your itemized deduction and evaluate how the two compare. If your itemized deductions exceed the amount of your standard deduction, you will save tax dollars by itemizing this year.
2. **Defer income** – This is an all-time favorite. While it might simply defer taxes until next year, this deferral actually saves you money in the long run. So take steps whenever possible to move income into later years and deductions into earlier years. One option is having vendors pay you in January versus December.
3. **Telephone tax refund** – Since the courts have changed how phone calls are taxed, you could be eligible for a tax refund if you have paid a long distance phone bill over the past couple of years. Review form 8913 for more specific information.
4. **Do you work from home** – Using your home on a regular basis for business could allow you to receive a home office deduction. The deductible amount is based on the percentage of your home that is used for the business.
5. **Get on retirement savings** – Adding to your retirement fund is important. It is especially important if you have a traditional individual retirement account because it is possible that your contribution can be tax deductible.



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Stacy is called the human Prozac of wealth management! She literally takes the worry and anxiety out of managing your finances.

She is the President of Francis Financial, Inc., an independent, fee-only, financial planning firm that helps individuals just like you achieve financial freedom.

Stacy is also the Founder of Savvy Ladies®, a 15,000+ strong non-profit organization that empowers women to take control of their finances and achieve a more rich and rewarding life.