

LAST MINUTE YEAR END TAX TIPS

1

Make a last trip to the thrift shop for 2015 with a truckload of stuff. Prepare a detailed list, take a picture, save the receipt, and save hundreds on your taxes.

2

Record your year-end mileage, or better yet, have your cars serviced within the next two weeks to document your year-end odometer reading. The IRS requires this type of proof. For the smart-phone enabled, take a selfie of your odometer and text it to yourself..

3

If you have a corporation, reimburse yourself for any out-of-pocket expenses before year end to get the deductions on the corporation where they belong. Just approximate and write the check. You can add it up and reconcile later when your books are complete for the year.

4

If you are planning on incorporating or forming an LLC for 2016, do it early in 2016. Call me for assistance. 707-888-3676

5

Harvest losses on your stocks to get the \$3,000 allowable deduction against ordinary income OR harvest gains up to \$37,000 single \$74,000 joint to take advantage of the 0% or 15% tax bracket. Stocks in a retirement account do not count. Call for further information. 707-888-3676. The market is open New Years Eve.

6

Prepay any expenses you want deducted this year – mortgage interest, property taxes, estimated state taxes, business supplies, etc. – but not too much state tax to put you into AMT (call me if you aren't sure)

7

Get ready to send out those 1099s. Gather the id numbers and add up the amounts. There are severe penalties. Really bad. Not worth the risk.

8

If you have a corporation or LLC, be sure to file your Statement of Information. The State has stopped sending reminders but they will eventually charge you a \$250 penalty instead of a \$25 filing fee. These must be filed every year or every other year, so check your filing requirements. Corps may file online, LLCs must download, print the form, and mail it in. Here is the link <http://www.sos.ca.gov/business-programs/business-entities/statements/>