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Tax Savings Tips for 2010

1. Pay itemized deductions before December 31, 2010 to save 2010 taxes:
 - A. 2010 income taxes
 - B. 2010 real estate taxes
 - C. January, 2011 mortgage payment
 - D. Charitable donations – donate appreciated stock to your charities and deduct the fair market value of the stock and no tax is due on the appreciation of the stock
2. If you are in the 10% or 15% tax brackets consider selling stocks with long term capital gain. The gains are tax-free up to your 25% tax bracket. The 25% tax bracket begins at \$68,000 for married joint returns and \$34,000 for single filers.
3. If you will owe Alternative Minimum Tax for 2010, then defer paying taxes owed at year end to 2011 as well as most miscellaneous deductions.
4. Business owners using the cash method of accounting for tax purposes can shift income and expenses between 2010 and 2011 by delaying or accelerating receipt of income or payment of expenses.
5. If a business owner needs to purchase a car or equipment within the next 6-12 months, then the purchase should be completed by December 31, 2010 to claim the IRS Section 179 expensing deduction and new asset purchases qualify for the special 50% bonus depreciation deduction. Certain limitations apply.

For access to a comprehensive on line copy of the 2010/2011 Tax Planning Guide, go to www.heschcpa.com. The tax planning guide provides tax planning tips for individuals and business owners. To find answers to your estate tax and elder law questions go to cincinnatiatlaw.tv where William E. Hesch is the estate planning attorney who provides answers to your questions.