



**January 17, 2012**

## Cost Saving Tax Tips for New Year (part 2)

In my previous article, I shared 4 tax tips that can save you money in the long run by either helping you pay less taxes or not paying more on your tax bill. Here are the tips I shared:

1. Set out your tax calendar for the year
2. Update your name and address
3. File a fresh W-4
4. Send out 1099-MISC in January

Now I will share more tips for you to save costs.

5. Make your estimated tax payment

If you have investment income, unemployment income or any freelance income you should make your estimated tax payment by today, January 17. If you made over \$400 in your business, you will owe self-employment taxes, even if you do not owe any income taxes.

6. Send your W-2s this January

If you pay household employees, you must send them W-2s this month. Your state will require full, year-end payroll tax returns. You can refer to the IRS' Schedule H for guidelines on reporting and paying taxes on these employees.

7. Send 1098s this January

This is for lenders who charge interest on their loans or private mortgages. If you collect interest on loans or mortgages you disburse, you must declare them in Form 1098. This is because your borrower will be reporting the interest they pay on Schedule A. Schedule A will list your name, address and taxpayer ID number so the IRS would be able to cross-refer to it and trace you as the lender.

#### 8. Claim your FSA money

Your flexible spending account (FSA) funds are available to you when you make any form of medical expenses. So submit your receipts from your doctor's or dentist's appointments, your bills from the pharmacy, therapists fees etc. If you have not spent enough to use up all your FSA funds, contact your FSA administrator or payroll department to find out if you have more time to make your submissions because some FSA plans give you until March 31 to claim on your FSA funds. If you have claimed from your FSA you are no longer eligible to claim these expenses in your itemized deductions.

#### 9. No need to send out 1099-Ks

There is a new form for this year known as Form 1099-K "Merchant Card and Third Party Network Payments." This is for banking-related organizations that settle payments related to merchant credit-card transactions. If you are an Internet affiliate marketer or if you are any kind of multi-level marketer, you are not the third-party network that this form refers to.

So take these 9 tips and use them to save yourself some tax money. If you are having any trouble with your taxes, please call us at (813) 229 7100 for a free consultation.