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December 20, 2011 by Deirdre Wheatley-Liss

2011 Year End Tax Planning Tips



The end of the year is crunch time to finalize what your tax bill will look like come April 15, 2011. Eisner Amper has just issued a terrific 2011 Year-End Tax Planning Goals Chapter of its upcoming 2012 Personal Tax Guide. I urge you to peruse the tips and information to see if there are any **actions you can take between now and December 31, 2011 to lower your 2011 tax bill.**

Some ideas include:

- **Setting tax planning goals** - including deferring taxes, reducing taxes managing cash flow, retirement and education planning
- **Year end tax planning tips** - timing can be everything
- **AMT Planning** - if you are in the AMT for 2011 or 2012, you won't get any benefit from prepaying state and local taxes, real estate taxes or certain miscellaneous itemized deductions, so save your money
- **Prepayment of Expenses** - the most common deductible expenses that need to be incurred before December 31 to deduct this year are charitable contributions, state and local income taxes and real estate taxes (see AMT above), mortgage interest, margin interest, business equipment purchases.
- **Timing of Income** - look to defer income to future years if you believe you might be in a lower tax bracket at that time.
- **Bunching miscellaneous deductions to get over the 2% floor** - if you got over the floor this year, you may want to prepay some expenses that otherwise might not be deductible next year.
- **Manage your refund/payment** - adjust year end withholding or make an estimated payment to avoid underpayment penalties
- **Manage Business losses and Passive Activity losses** - discuss the ability to take tax free distributions or close out an investment with your accountant
- **Review Incentive Stock Options** - the timing of exercise of an ISO can have a huge impact on its taxation, especially if you are in the AMT



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- **Estate Planning** - consider year end annual gifts(\$13,000 per recipient) to beneficiaries

See the [Eisner Amper year end tax guide](#) for more details and great Tax Tips.

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