

My top 12-Tax Strategies

Disclosure: please note that this is for information purposes only every one's financial situation is different and with that being said take the information as a suggestion and do your own due diligence
No matter your age or income level you can apply some or all of them ... I'll discuss further ...

#1 TAX STRATEGY **HIGHER EDUCATION OR CONTINUING EDUCATION:**

Go to college or go back to college- you can deduct up to \$2,500 of continuing education and get the American opportunity credit send your kids to college you can keep claiming them and you can deduct their college tuition and books. Increasing your knowledge may result in a salary increase as well as a tax deduction.

#2 TAX STRATEGY **Become a homeowner-**

As a homeowner, you may qualify for various tax deductions, These tax deductions can vary across home improvement expenses, insurance payments, claims on the house, and whether you're a first-time homebuyer.

#3 TAX STRATEGY **SELL YOUR MAIN HOME**

If you ARE ALREADY A HOMEOWNER- and are considering selling your main home you can exclude up to \$250,000 single and \$500,000 married filing jointly tax free gains on the sale of your main home.

MAIN HOME EXCLUSION (must live in it for at least 2 of the 5 years of selling)

#4 TAX STRATEGY **Rent or ARBNB** your home or part of your home,

If you have an extra room in the house or a detached garage and you put it up for rent you will be generating income and you can deduct expenses such as partial depreciation, repairs or improvements to your home, utilities, mortgage interest, insurance, and property taxes are amongst some of the deductions you can deduct there may be more.

<https://www.atlanticbay.com/knowledge-center/top-5-advantages-of-homeownership/#:~:text=Top%20%20Advantages%20of%20Homeownership%201%201%29%20Financial,residence%20...%205%205%29%20Sense%20of%20community%20>

#5 TAX STRATEGY **Start a business-**

something you love doing or thought of doing
simplest form sole proprietor - register name . Get website . Get business cards get an EIN number and . Open up a bank account , advertising <https://www.inc.com/guides/201101/top-10-reasons-to-run-your-own-business.html>

#6 TAX STRATEGY **Buy assets for your business**

You can take advantage of sec 179 deduction if you know your taxable income is going to be pretty high and therefore reduce it by purchasing assets that are necessary to keep your business going or to grow it.

Should You Buy Or Lease?

The answer as to whether it is better to buy or lease is never clear cut and will depend on your circumstances. A number of businesses use a combination of both methods to run their company, buying the small equipment needed and leasing the more expensive equipment.

Leasing equipment on a short-term basis does give you the chance to test the asset out to make sure it is the right choice for your company. By buying outright when you have the funds to do so your fixed expenditure will be lower. Buying can also be the cheaper option and have tax advantages as opposed to long-term leasing.

#7 TAX STRATEGY **Start an IRA- even if you already have a 401K at work**

Contact a brokerage firm such as Edward Jones and put away up to \$6,000 each if married filing jointly that's up to \$12,000 income not subject to federal taxes until you take them out when you retire ... don't take them out before or you will be penalized...

<https://www.schwab.com/resource-center/insights/content/if-you-have-a-401-k-do-you-need-an-ira- too>

#8 TAX STRATEGY **have a baby**

- you will not only be a parent to a lovely child but you can deduct them as a dependent and get child tax credit up to \$3,000 per child under 17 and \$3,600 for children under 6 years old and earned income credit if your income is below threshold and you can deduct child care costs . Even parents with Itins qualify for this credit as long as the child has a valid social security number.

#9 TAX STRATEGY STAYING SINGLE for as long as you possibly can and do all of the above ... married couples usually end up paying more in taxes bc they have to combine both their incomes so they get into a higher tax bracket and pay more in taxes

#10 TAX STRATEGY Buying an electric vehicle

But these are only credits if you don't have a tax liability then these will have no impact on your tax refund.

You may qualify for a credit up to \$7,500 under Internal Revenue Code Section 30D if you buy a new, qualified plug-in EV or fuel cell electric vehicle (FCV). The Inflation Reduction Act of 2022 changed the rules for this credit for vehicles purchased from 2023 to 2032.

The credit is available to individuals and their businesses.

To qualify, you must:

- Buy it for your own use, not for resale
- Use it primarily in the U.S.

<https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after>

#11 TAX STRATEGY ENERGY EFFICIENT IMPROVEMENTS

New federal income tax credits for energy efficiency home improvements are available through 2032 and provide up to \$3,200 annually to lower the cost of energy efficient upgrades by up to 30 percent. Upgrades such as heat pumps, heat pump water heaters, insulation, efficient doors and windows, electrical panel upgrades, home energy audits and more, are covered by these new tax credits and can help families save money on their monthly energy bills for years to come.

In addition to the home improvement credits, homeowners can also take advantage of the modified and extended Residential Clean Energy credit, which provides a 30 percent tax credit for clean energy property, such as rooftop solar, wind, geothermal and battery storage through 2032, and steps down to 22 percent by 2034. This credit ends December 31, 2034.

https://www.energystar.gov/about/federal_tax_credits

SOLAR PANELS CREDIT IS 30% OF THE TOTAL SYSTEM COST

<https://www.forbes.com/home-improvement/solar/solar-tax-credit-extension-2023/>

<https://www.solar.com/learn/home-energy-efficiency-rebates-and-tax-credits/>

#12 TAX STRATEGY: Hold on to capital investments stocks and other assets long term so when you sell you pay long term tax 15% versus the SHORT TERM SALE tax at your current tax rate.

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Thank You,

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