

# LAFOCUS OnThe Word

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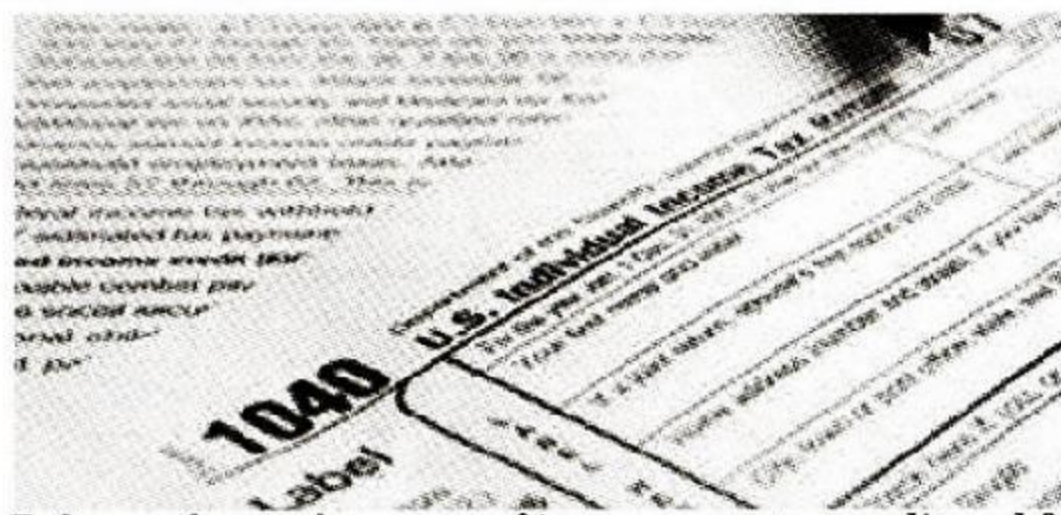
## MoneyMatters

### — “The Do’s and Don’ts of Filing Your Tax Returns” —

**W**ith news of an ever-deepening recession, corporate layoffs, and more homeowners falling into foreclosure, money is on everyone’s minds. No time is that more prevalent than with the onslaught of tax season—a time when those who’ve paid in are searching for ways to get more out and those who owe are looking for ways to pay less.

Much of that rests squarely with the preparations of your income tax return. Mistakes on tax returns can be pricey regardless of the economic climate, but are especially so when the instinct to tighten one’s purse strings kicks in.

The good news is most of the key mistakes made by tax payers are avoidable. To that end we asked the following financial experts for a few practical tips.



To learn about other ways of increase you tax credit and for more examples of common mistakes, visit: [www.irs.com](http://www.irs.com) and [www.ftb.ca.gov](http://www.ftb.ca.gov).

#### **Belva Edwards Abacus Financial**

One of the biggest mistakes is letting friends prepare your taxes. Pay a professional—one that has a CPA license or is CTEC certified.

Plan early. There are ways to allocate funds to avoid tax liabilities. For example, invest in more insurance, add money to your IRA.

Be informed. There are new things every year. Last year a lot of people missed the \$60 credit for those with long distance service. Renters also get \$60 credit every year, provided they aren't renting from family.

It's not so much mistakes as not-knowing what can be written off. If you work as an assistant and run errands, then gas mileage and repairs to your car can be written off.

Finally, consider increasing withholdings so less money is taken out. Rather than get back money at the end of the year, have it and invest it throughout the year.