Twitter Thread by Ron Caruthers

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1. Year End Tax Tips:

Yes, there is still time to save money on taxes for 2020....even today.

Here is a list of some of your top options:

A) You can pay your kids up to age 18 up to $12,400 and if they have no other income, they owe NO federal taxes, but YOU get the deduction

2. Next up, you can prepay your expenses up to 1 year, using the IRS Safe Harbor:

This allows cash-basis taxpayers to prepay and deduct qualifying expenses up to 12 months in advance without challenge, adjustment, or change by the IRS.

3. Qualifying expenses include, among others:

-lease payments on business vehicles

-rent payments on offices and machinery

-and business and malpractice insurance premiums

4. Buy Office Equipment

With bonus depreciation now at 100 percent along with increased limits for Section 179 expensing,

buy your equipment or machinery and place it in service before December 31 and get a deduction for 100 percent of the cost in 2020.

5. Qualifying bonus depreciation and Section 179 purchase examples

-new and used personal property such as machinery, equipment, computers, desks, furniture, and chairs (and certain

qualifying vehicles).

I'm picking up a stand up desk since someone went and filled my bin.

6. Use Your Credit Cards Correctly

If you are a single-member LLC or sole proprietor filing Schedule C for your business,

the day you charge a purchase to your business or personal credit card is the day you deduct the expense.

7. If you operate your business as a corporation, and if the corporation has a credit card in the corporate name,

The same rule applies:

The date of charge is the date of deduction for the corporation

8. If you operate your business as a corporation and you are the personal owner of the credit card,

the corporation must reimburse you if you want the corporation to realize the tax deduction, and that happens on the date of reimbursement.

9. Thus, submit your expense report and have your corporation make its reimbursements to you before midnight tonight.

But again, you still have time.

10. Don't forget you cah purchase a vehicle, put IT into service (by driving ONE business mile), and you get the write off on your depreciation for ALL of 2020.

This applies to both new AND used vehicles.

Personally, I buy mine used.

About 4 years old with < 50k miles.

11. Don’t Assume You Are Taking Too Many Deductions

You should never stop documenting your deductions, and you should always claim ALL your rightful deductions.

Don’t think you have too many, and don’t try to avoid deductions that you think could be a red flag.

12. First, it’s unlikely you could have enough deductions to create a red flag.

Second, no one knows exactly what those red flags are.

Third, if the deduction is legitimate, it doesn’t matter if the IRS audits it—you’ll win.

And their audit rate is currently less than 2%

13. So, you have a 98% chance they won't even bother you.

Anyway, those are some absolute last-minute strategies for you.

Want to pay the absolute LEAST amount possible in 2021?

Then you need to grab my course Slash Your Taxes.

This info was from the 1st 15 min of ONE week.

14. There are 15 3/4 MORE weeks of info, with checklists and graphics for you.

& each month in 2021, we'll answer questions in a monthly call AND we'll do one financial tax makeover a month.

Seriously, this is the best deal on the planet if you have a business, or side hustle.

15. Claim your copy here and use code NYE to get it for $100 off, so it is only $197.

And, of course, the cost is a deduction.

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