

## **Tax Trimming Tactics**

Alliteration aside, there are many tax trimming tactics you can incorporate throughout the year.

### **Adjust your W-4 form**

If you received a large tax refund check this year, it means you may be having too much taken out of your paycheck. Ask your employer for a new W-4 form and change your deductions.

### **Increase your retirement savings**

By increasing your 401(k) or other tax deductible retirement plan contributions, you can lower your taxable income thereby lowering your tax bill.

### **Open a flex and/or child care plan**

If your employer offers a flexible spending or dependent care reimbursement account, take advantage of them. There is no income or social security tax on the money. Make sure you understand how the plans work, most have a use it or lose it policy.

### **Take advantage of educational assistance**

Also, if your employer offers to pay for educational expenses, take advantage of that as well. Companies are able to offer up to \$5,250 educational assistance tax-free per year. The money therefore does not show up as taxable income.

### **Deduct your job-hunting and/or relocation expenses**

If you are unemployed and searching for a new position in the same line of work, you may be able to deduct costs such as food, hotels, and transportation. Also, if you relocate more than 50 miles away for a job, you may be able to deduct the cost of the move.

The above was not written by a tax professional and is informational only. Please consult a tax advisor for your specific situation.