Secrets on How to Pay Less Income Tax if You are Working by Tracy Narvaez

Article published on June 9th 2012 | Finance

The taxes you pay are very important and are used by the government to provide some the basic services you need. These include the development of infrastructure, provision of education and health services among many other good things. However, this does not mean that you should pay more than you actually owe the taxman. The suggestions below could help you learn some of the ways to pay less income tax.

Financial experts advise that you need to start planning for your tax bill as soon as the year begins. This means that you have to track down all the places that your money goes to on a day-to-day basis. All the receipts you receive from spending need not to be thrown into the trash been. You will have to be very particular with the job related expenses like travel and accommodation, seminars, education, office stationery etc.

You can also diversify your income sources by starting a small business. It does not have to be a big business so long as it brings some little money at the end of the day. If you like photography, you could take pictures and explore the possibility of selling them for a few bucks. All the business related expenses that you will incur like the costs of storage or material will qualify for deductions.

Another way to reduce you bill on taxes is by ensuring you are making efforts to go green. This will also make your practices more environmentally friendly. If you have to repair your roof, you may want to buy the more eco-friendly materials available at your local hardware store. You may also reduce you charcoal used and adopt friendlier energy sources like gas or electricity. It may also benefit you more when you buy an electric rather than a diesel-powered car.

It is always a good thing to donate to charitable organizations when you can. The more you donate the more deductions the taxman will consider you for. However, you will have to obtain receipts for the money that you give and also allocate a value to all the gifts. Some huge medical bills may also qualify for some deductions though only in rare cases like in serious illnesses.

Create a list of all your incomes sources for the purposes of knowing which ones will reduce your tax bill. You will have to determine the income you get from your regular job, investments, properties and so on. Filing joint returns with your spouse is also advisable for those who are married. If you do not know how to go about this, you may talk to your accountant.

Subscribe to a retirement scheme with the firm that you prefer so long as it is reputable. You will be considered for more deductions based on the amount you remit monthly. Additionally, you will be able to enjoy a comfortable life even after retiring.

The above-mentioned tips are some of the things you need to know to save money that you can put into other uses. There are many other ways you can explore to pay less income tax annually. The internet and books on taxation could also be very other very vital sources of the information you need.

Article Source:
http://www.articleside.com/finance-articles/secrets-on-how-to-pay-less-income-tax-if-you-are-working.htm - Article Side

Tracy Narvaez - About Author:
Get advice on how to a pay less income tax and a list of a pay less tax FAQ's on our site, today.

Article Keywords:
Pay Less Income Tax, Pay Less Tax FAQ

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!