

TAX REDUCTION LETTER

QUARTERLY UPDATE

Latest tax-saving strategies for single-owner businesses—
all available to subscribers at www.bradfordtaxinstitute.com



APRIL 2015

MOST-VIEWED TAX SAVING TIP

Deduct the Shirt off Your Back— Yes, Here's How You Can Legally Write off Your Clothing and Laundry Expenses!

Estimated tax tip savings: *The cost and maintenance of your work clothes can be a valid tax write off. Suppose your qualifying clothes cost \$500 and dry-cleaning costs you an additional \$200 a year. You can deduct the entire \$700 expense.*

That's right: The IRS lets you deduct the cost of your work clothes plus the cost of maintenance expenses such as laundry and dry-cleaning.

This could be a huge win for you and your business. Think about it: Do any of these statements apply to your situation?

- You wear clothing with a business logo or some other uniform, such as scrubs.
- You have frequent laundry or dry cleaning expenses.
- You must use protective gear or equipment in your work.

If so, you'll love this tax reduction strategy. If not, consider purchasing clothes that qualify for this deduction—the laundry costs alone could make the strategy worthwhile (and save wear and tear on your non-work clothes).

In order to take advantage of this great tax benefit, you'll need to do a just a little bit of planning. First, you have to prove . . .

To get this entire article, just log on at www.bradfordtaxinstitute.com and search for "laundry" or Browse by Issue date for our January 2015 issue.

"HOW I CUT MY TAXES . . ." Dentist saves \$10,000 using auto-related strategies

Here's why Beverly Agnew, DDS, of Tucson "loves" *Tax Reduction Letter*:

"We have realized at least \$10,000 in increased take-home in the first year—without changing anything. I loved all the stuff about the cars. That is where I saved most of my money."

If you haven't yet explored all our strategies for cutting taxes based on your business-related vehicle usage, just log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, "Vehicles & Equipment." A list of nine related topics will drop down: Just choose "Cars SUVs Pickups" to see 159 strategies for reducing your taxes. Choose two or three that match your situation and start adding hundreds, if not thousands more dollars to your take-home.

LOG-IN PROBLEMS?

Forgot your password or subscriber email address? Here's what to do

If you forget your password, don't worry. You can solve this quickly. First, just go to www.bradfordtaxinstitute.com and click the blue Login Here button at the upper right. Then enter your email address into the log-in form and click the "Send me my password" button below the form. If you don't get your password immediately, you may be in our system with more than one email address, so please try again with a different email address. If you require additional assistance, just send an email to contactus@bradfordtaxinstitute.com, or call us toll free at 877-828-8673. We'll get right back to you during business hours.

BROWSE RECENT HEADLINES

How Many of These Tax-Savings Strategies Have You Used?

Below you'll see a list of the latest articles we've posted on Tax Reduction Letter. How many have you read? How many have you used to slash your tax bill? Take minute to scan these topics and circle a few that can save you money this year. Then just log in to www.bradfordtaxinstitute.com and in the left navigation bar, click on Browse Recent Headlines. *It's it fun to reduce your taxes!*

March 2015

- Big News: IRS Undoes the \$100-a-Day Obamacare Penalty and Overtaxation of Your Employees
- Last-Minute News from the IRS—S Corporation Owners Are Safe from Obamacare Penalties through 2015
- Don't Overlook the New Law That Allows Section 179 and Bonus Depreciation Retroactively to 2014
- Stop Taxes before They Happen by Shrewdly Planning the Trade-In or Sale of Your Business Vehicle
- Hire Your Kids to Work in Your LLC or Sole Proprietorship and Put a Huge Chunk of Their Pay Back in Your Pocket
- Write Off Your Clothing and Laundry Expenses without Giving All Employees the Same Privilege
- Stop Payroll Tax Embezzlement Before It's Too Late—and Before It Costs You Your Business

February 2015

- How to Squeeze Even More Tax Savings from Your Charitable Donations: Treat Them as Business Expenses
- Your Daily Commute Is Not Deductible—Unless You Do One of

These Three Things

- Don't Let Income Limits Block Your Roth IRA Contributions: Build an Even Larger Retirement Stash
- Did You Buy a 2014 Business Vehicle in Your Personal Name? To Protect Your S Corp's Deductions, Use This Smart Strategy
- Make Your Company Party More Fun: Find Thousands More in Legal Tax Deductions!
- Deduct More of Your Rental Property Losses by Qualifying as a Real Estate Professional—Even If You Don't Work in Real Estate!
- How C-Corporation Owners Can Pay Zero Taxes on Gains: Tax Law Allows a Windfall "Wait to Sell" Strategy

January 2015

- Deduct the Shirt off Your Back—Yes, Here's How You Can Legally Write Off Your Clothing and Laundry Expenses!
- Three Rules for Contributing to Your Employees' Health Savings Accounts and Beating the Dreaded 35 Percent Discrimination Tax
- Did You Miss Your S-Corporation Election Deadline—and Thousands in Employment Tax Savings? No Worries—Do It Now!
- Five Rules for Turning Your Vacation—Even a Luxurious One—into Tax-Deductible Business Travel
- Use This Forgotten Tax Technique to Increase Deductions on Your Vacation or Other Home
- How to Deduct Your Swimming Pool and Other Home Improvements as Medical

Expenses—All Legal If You Do It Right

- Slash Taxes When Rolling Over Your 401(k) Funds: Use This IRA Double-Win Strategy

As a subscriber, you can access and print out all these articles at no charge. Just log in to www.bradfordtaxinstitute.com and in the left navigation bar, click on Browse Recent Headlines.



HOW I CUT MY TAXES . . .”

Independent agent learns the tax-saving power of good records

Independent agent Adolph Palmer of First Team Seal Beach (CA) Real Estate resisted disciplined business recordkeeping until he learned from the Bradford Tax Institute how much money he could save. “I am a Sagittarius and hate to keep any type of log or records,” he reports. “[Now] I keep daily records of my activities and save big on my taxes!”

If you're a business owner who's not sure of which records you should be keeping—and how much it can save you in taxes—just log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, “T&E, Gifts & Tax Proof.” A list of nine related topics will drop down: Start by clicking on “Records” to see 170 strategies for reducing your taxes through smart recordkeeping. Choose two or three articles that match your situation and start cutting your taxes today.

MOST VIEWED TAX SAVING TIP #2

Five Rules for Turning Your Vacation— Even a *Luxurious One*— into Tax-Deductible Business Travel

Estimated tax tip savings: *When you convert your vacation into a business trip, your transportation expenses suddenly become deductible. Consider that \$1,200 business-class plane ticket back home to see your parents—with the right tax planning, you can deduct 100 percent of the cost.*

Isn't it about time you took a vacation?

Maybe you don't think you have the time or the extra cash?

You could solve both the time and cash problem when you make the vacation a business trip and deduct your travel expenses.

What kind of travel are we talking about? In general, business travel can be about as luxurious as you can dream up! For example, all of the following can qualify as deductible business travel expenses (among many others):

- Airfare, including first-class tickets.
- The presidential suite in your favorite hotel.
- Rental car expenses for a Rolls-Royce.
- Boat tickets, and yes, this includes cruise travel.

So whether you are planning to stay in a luxury resort in the Caribbean or you simply need to visit the in-laws two states over, you could save yourself a boatload in taxes when you turn your vacation into a business trip and deduct most or all of the cost.

Types of Travel Expenses

When you travel for business, you can deduct two big types of

expenses . . .

To get this entire article, just log on at www.bradfordtaxinstitute.com and search for “vacation business travel” or Browse by Issue date for our January 2015 issue.



TAX SAVERS' FREQUENTLY ASKED QUESTIONS

Are my credit card statements good enough to prove tax-deductions?

Lack of adequate documentation is the single biggest reason taxpayers lose deductions during IRS audits.

Above all, you need to know this: In order for an expense to qualify as a deduction, you need to prove 1) what you bought and 2) that you paid for it. Proving that you paid the money is easy when you pay by credit card or check. But a cancelled check or credit card statement doesn't prove to the IRS that your purchase was business related.

To discover the easiest, surest way to make your records audit-proof, we suggest you take 10 minutes to review a classic article from the Tax

Reduction Letter archives. To locate this article, just log in to www.bradfordtaxinstitute.com. In the upper left corner, put “Receipts” into the Search box and click on “Search.” You'll find a plethora of articles on this subject, including, right at the top, : “Digitize Tax Receipts to Protect Yourself and Make Credit Card Statements and Checkbooks Complete.” It will tell you how to ensure you qualify to deduct business expenses charged on your credit card.

“HOW I CUT MY TAXES . . .”

Realtor slashes health care costs

Real estate agent Ted Miller, II of Coldwell Banker in Morris Plains, NJ appreciates a range of tax savings strategies he discovered through the Bradford Tax Institute. He says, “[I had] no idea of how much I didn't know! This saved me thousands in health costs alone.”

If you're interested in learning how to cut your company's health care costs, just log into

www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, “Employees, Benefits & Payroll.” In the drop-down menu, click on the topic, “Medical (non-Section 105).” You'll find 145 strategies for reducing health care taxes and other costs.

TAX REDUCTION LETTER

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ADVICE FOR NEW SUBSCRIBERS

To Kick-Start Your Tax Savings, Ask Yourself These Five Questions

If you're new to *Tax Reduction Letter*, you may be overwhelmed by the sheer volume of tax-saving tips you learn about in our twice weekly emails or when you visit www.bradfordtaxinstitute.com.

You may have said to yourself: "Yes, I want to save money on my taxes, but where the heck do I start" It's a great question—and you'll love the answer.

First, ask yourself these five basic questions, and write the word "Yes" next to those you answer affirmatively. For any questions you answer affirmatively, just follow the instruction below that question to find tax savings that can easily amount to thousands, even tens of thousands of dollar *this coming year!* Let's go!

1) Do you have employees?

Log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, "Employees, Benefits & Payroll." A list of eight related topics will drop down: Start by clicking on "Employees" to see more than 85 related strategies for reducing your taxes—from medical insurance to company parties, from employee vehicles to independent contractors. Choose two or three articles that match your current situation.

2) Do you travel on business (or do business when you travel)?

Log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that

reads, "T&E, Gifts & Tax Proof." A list of nine related topics will drop down: Start by clicking on "Travel" to see more than 60 related strategies for reducing your taxes—from deducting business "vacations" to local hotel stays, from cruises to conventions. Choose two or three articles that match your current situation.

3) Do you use a car, SUV or pickup for business purposes?

Log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, "Vehicles & Equipment." A list of nine related topics will drop down: Start by clicking on "Cars SUVs Pickups" to see more than 155 related strategies for reducing your taxes—from commuting to motor homes, from selling your vehicle to first-year deductions on a replacement vehicle. Choose two or three articles that match your current situation.

4) Do you have children?

Log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, "Spouses, Family & Insurance." A list of 11 related topics will drop down: Start by clicking on "Children as employees" to see more than 30 related strategies for reducing your taxes—from beating the kiddie tax to beating payroll taxes, from using IRAs to educational assistance plans. Choose two or three articles that match your current situation.

(Remember, if your children aren't yet old enough to work in your business, they will be soon enough!)

5) Do you entertain as part of your business activities?

Log in to www.bradfordtaxinstitute.com. In the center section of the subscriber home page, scroll over the box that reads, "T&E, Gifts & Tax Proof." A list of nine related topics will drop down: Start by clicking on "Entertainment" to see more than 70 related strategies for reducing your taxes—from golf to scuba diving, from meals with your spouse to company parties. Choose two or three articles that match your current situation.

OUR PROMISE TO YOU

How *Tax Reduction Letter* Serves Business Owners and Tax Preparers

Since 19XX, *Tax Reduction Letter* has been fulfilling its commitment to provide smart, often little-known tax reduction strategies to single-owner businesses and the tax professionals who serve them. The business owner will find these strategies clearly written, so they're easy to understand and easy to implement. The tax advisor will likewise appreciate our straightforward writing style, but will also value the fact that these strategies are extremely well researched and annotated, so they'll stand up to your professional scrutiny, the IRS, and if necessary, in tax court. Above all, these strategies are designed to help both business owners and the professionals who serve them reduce taxes by thousands of dollars annually in 100%-legal tax savings.