



Helpful tips that'll get you through tax season

TAX TIPS & TRICKS

Table of Contents

- 1** Married Couples
- 3** Students
- 5** Expats
- 7** Small Businesses
- 9** Independent Contractors
- 11** Have a question that didn't get answered?



Married Couples

Getting married is new and exciting for a lot of reasons. Why burst the honeymoon bubble by worrying about taxes? Though your tax situation might change slightly, there are a few things you can do to stay ahead of the curve.

1 Update your name with your local social security office

If you choose to take your partner's last name, it's best to sort that out with your social security office as soon as possible. Not doing so can result in your return being electronically rejected if your last names do not match come tax time.

2 Keep track of the deductions you qualify for

When you get married, you have the option to file with your spouse jointly or separately. Either can prove to be more beneficial depending on your financial situation. Since filing jointly can prohibit you from claiming certain deductions, be sure to ask your tax preparer which would be more beneficial.



3 Use Form 8379 to separate past IRS liabilities

If your spouse owes taxes from before the tax year you were married in, but you have decided to file jointly, it's recommended to file Form 8379 the Injured Spouse Allocation form. This form essentially separates your spouse's liabilities and past IRS debts from yours.

4 Plan your wedding date accordingly

Whether you get married on the first of January or the 31st of December, the IRS will consider you married for the entire year. It's important to keep this in mind when planning your wedding — and taxes — for the year, so that you can take advantage of filing while married as soon as possible.



Students

Being a student is stressful enough — taxes shouldn't have to add to that. Luckily, there are a few things you can do as a student to ease the burden of your taxes, both short- and long-term. Here are some tips to help you outsmart your taxes while you ace your finals.

1 Apply for as many scholarships as you can

Scholarship money is typically tax-free, which means you won't have to include it as taxable income when you calculate your tax refund, as long as it is used towards items such as books, supplies, equipment and of course tuition. Do be sure to take into account any amounts used toward living expenses such as room and board as those are taxable. It is free money, though, so you can't lose!

2 File with the right dependency status

Your parents can claim you as a dependent on their taxes if you're a single full-time student younger than 24. If you're paying for college out of your own pocket, though, it might be beneficial to file independently. Some tax breaks and credits — like the American Opportunity Tax Credit — can only be claimed if you file independently.

3 Make interest-only student loans payments

While some student loans are subsidized by the government, private loans start accruing interest as soon as you have the money. If you make interest-only payments to your student loans, you can prevent the interest from capitalizing. You can deduct that interest paid from your tax return if you file independently from your parents - up to \$2,500 a year.

4 Take advantage of tax credits

The American Opportunity Tax Credit (AOTC) allows up to \$2,500 per eligible student for the first four years of post-secondary education, and 40% of it is refundable. You can receive up to \$1,000 as a refund if you owe no taxes and have a single income of up to \$80,000.

If you're a fifth-year senior or above, you can also try the Lifetime Learning Credit, which is set at the same income limits but can be taken for any number of years during your post-secondary education.





Expats

Whether you live abroad for work, fun, or a little bit of both — getting your taxes done as an expat can be quite the complicated task. There are a few things you can do from your new country to get ahead of the game.

1 Claim the right deductions

The Foreign Income Earned Exclusion (FEIE) and Foreign Tax Credit (FTC) exist to help offset taxes for individuals who live abroad. If you are able to pass the Physical Presence Test or Bona Fide Residence Test, you are eligible and can file with form 2555 or 2555-EZ.

2 Take your time

Expats are granted an automatic extension to complete their taxes — which means you have until June 15 to file your tax return, instead of the typical April 15 deadline.

3 **Verify your state's tax policies**

Depending on the last state you lived in in the U.S, you may or may not have to file a state tax return alongside your federal return. Many states make it easy to renounce your residency if you can prove you've been living somewhere else for an extended period of time.

4 **Claim the Child Tax Credit**

The Child Tax Credit can be claimed if you have a qualifying child under the age of 17, with a maximum amount of \$2,000 as a tax credit. Your qualifying child must have a Social Security Number before the due date of your tax return.





Small Businesses

Small businesses are the heart of our economy. Getting your business' taxes done quickly and efficiently means more time to focus on your goals. This is what your business can do to get ahead of the tax game:

1 Track your business expenses closely

From home office deductions to vehicle-related expenses, there's a lot you can do to save. To maximize, it's important to keep track of all receipts and possible avenues for business deductions so you can benefit as much as possible when tax season rolls around. By tracking your expenses closely, tax season will in turn be smoother *and* it will be easier to pinpoint which deductions you qualify for.

2 Get tech-friendly

There have never been more ways to do your taxes and bookkeeping completely online. There are many bookkeeping tools, deduction trackers, and all-in-one accounting programs to help you consolidate your business finances, make payroll, and invoice clients — which make *doing* your taxes much easier. For example, our **sales tax calculator** can help save you time and money while keeping track of your business' finances.

3 Separate business and personal expenses

It's tempting to mix your business and personal expenses, but when it's time to do your taxes, you'll wish you hadn't. Separating your business and personal expenses as much as possible will avoid the tricky business of navigating your eligibility for deductions, eliminating any confusion. It also makes the entire tax process itself much faster, which gives you more time for your business.

4 Fully utilize Section 179

Section 179 of the IRS code is a blessing to business owners everywhere. It allows a business to deduct the entire purchase price of equipment in the year of acquisition (up to \$1 million). This is different from the typical seven years it takes to depreciate the cost of personal property. As you plan equipment purchases, keep Section 179 in mind and be strategic with how you choose to depreciate in relation to your revenue and profits during the course of a year.





Independent Contractors

Working for yourself can be freeing — but it makes taxes a little more complicated than your typical 1040. The good news is, there are tons of resources at your disposal to make your taxes more manageable.

1 Stay organized

Keeping your financial information tracked and organized is the best way to avoid any mix-ups. Be sure to keep a spreadsheet updated with all of your recent clients and their information. Or, use a software like [FreshBooks](#) to invoice clients directly — they'll do all the tracking for you.

2 Claim your home office deduction

As a freelancer, you probably spend a majority of your time working at home, right? The good news is, your home office is tax-deductible! There are a number of deductions you can take advantage of by being strategic if you're a freelancer, and you can find all of them [here](#).

3 Pay your taxes quarterly

Since taxes aren't automatically taken out of your paychecks, it's up to you to pay your taxes to the government. Paying quarterly taxes makes the process much more manageable, and avoids the trouble of having to pay a lump sum once a year.

4 Embrace technology

Whether it's bookkeeping and tax help you need or you're trying to manage your budget, there are a number of ways technology can keep you in tip top shape for tax season. Especially if you're looking for someone to complete the worst part of all: getting your taxes filed.



Whether you're embarking on your freelance journey or you just tied the knot, life comes at you quickly — and *your* taxes tend to reflect that. Taxfyle is here for your tax journey, every step of the way.

**Have a question that didn't
get answered? Consult
one of our Tax Experts!**

Ready to file? [Download the app](#) and get your taxes filed for you.



This book is for informational purposes only, please consult with a tax professional before engaging or implementing any of these tips.