



DOLLARS AND SENSE - BY David Uffington

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Last-Minute Tax Savings

If you're still working on your taxes and looking for some last minute deductions to reduce your tax bill, here are a few to consider:

State taxes: If you paid state taxes for the year 2008 when you filed last year, you can deduct that amount from your Federal return.

Property tax: Until recently, only those taxpayers who itemize deductions (Schedule A) could deduct their property tax. Now, even if you take the standard deduction, you can deduct some or all of the property tax you paid in 2009. There's a limit, however. You can deduct the amount that is lower: the taxes you paid, or up to \$500 for single or \$1,000 for filing jointly.

Charitable deductions: If you tend to save all your receipts, it could be worth your while to look for those related to charity. You can deduct your expenses for quite a number of things: the cost of ingredients for the cakes and pies you baked, mileage at 14 cents per mile, postage for mailings, and more.

Home improvements: If you made energy-saving improvements to your home, you can deduct part of the cost. Windows, water heaters, doors and more are included. (Unfortunately this doesn't apply to everyday appliances such as dishwashers and refrigerators.) Each item has a different limit on how much can be deducted. Go online to www.energystar.gov and scroll down to Tax Credits for Energy Efficiency. Read the particulars on your appliance or energy-saving product. You'll need IRS Form 5695 as well as your receipts and the Manufacturer's Certification Statement to send in with your Form 1040.

Home purchase: If you bought your first home in 2009 before Nov. 7, you could be eligible for a credit of up to \$8,000. If you are a repeat buyer who purchased a home after Nov. 7, 2009, and who will close on a house by July 1, you could be eligible for a credit up to \$6,500 if you've lived in your home for at least five years. This government program has changed since it was first started in 2008 with a \$7,500 interest-free loan to first-time homebuyers. If you've bought a home at during that time, check to see if you qualify.

David Uffington regrets that he cannot personally answer reader questions, but will incorporate them into his column whenever possible. Write to him in care of King Features Weekly Service, P.O. Box 536475, Orlando, FL 32853-6475, or send e-mail to columnreply@gmail.com.

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