

Tax Tips

Timely Tips To Help Reduce Your Taxes

(NAPSA)—For small businesses, tax season need not be a source of stress. The right insight can make this necessary chore easier. The first line of defense during this time of the year is a good accountant. The other is using an accounting software package to make keeping the books as painless as possible.

CPA John McCabe, who recommends and uses Peachtree Accounting software with his clients, offers small businesses some timely tips and helpful insight for the approaching tax season.

Q: Is there a tax break for people who are victims of natural or man-made disasters?

A: Yes. Special rules apply if the losses occur in a location declared a federal disaster area by the President of the United States. In such cases, a business owner can treat the casualty loss as if it occurred the year immediately preceding the tax year in which the disaster actually occurred.

Q: Do I have to pay taxes on money people owe me?

A: Depending on the type of business you have, if a customer or vendor doesn't pay your invoice, you usually can deduct the cost of goods you sell but don't get paid for. However, the IRS expects you to take reasonable steps to collect the debt.

Q: When does a room in your home qualify as a home office?

A: These rules have relaxed somewhat. A home office now qualifies as a principal place of business if you use it regularly and exclusively to conduct business and there is no other fixed location where you conduct substantial administrative and management activities.



Accounting software can help businesses keep up with complex tax deductions.

Q: Is there accounting software available that can help small businesses maintain their books and stay compliant with the latest tax changes?

A: Depending upon their accounting needs, small businesses can use any of the products from the Peachtree Accounting line and opt in for the Peachtree Payroll Tax Service. The Tax Service provides up-to-date information on changes in federal, state and local payroll tax laws.

Peachtree also offers a new add-on service, Peachtree Web Accounting. Web Accounting works in concert with the Peachtree desktop accounting products to allow a small business' outside accountant or remote employees access to key accounting data through the use of a Web browser. Accountants can assist their clients in maintaining accurate books without ever leaving their offices and help a small business to keep everything up-to-date, making end of the year closing much easier.

For more information on Peachtree products and services, visit www.peachtree.com.