

THE TAX PICTURE

The Early Bird Catches The Biggest Tax Return

(NAPSA)—Don't make the mistake of waiting around until April to start thinking about your taxes—it could cost you a significant amount of money. Millions of people miss out on huge tax savings every year because they start too late or don't have the information they need to lower their tax bills.




Schnepfer

Here's MSN Money tax expert Jeff Schnepfer's list of what you should be doing now to maximize your 2007 tax return:

Shop 'til You Drop. Get those big purchases in before the end of the year, because if you live in one of the nine states without an income tax, you can claim a deduction on your sales tax. For those taxpayers in states with an income tax, you can still deduct sales tax if the amount is larger than the amount of state and local taxes paid. So plan ahead and buy those birthday presents for the upcoming year. Or if you're planning on taking a vacation, buy your tickets and book your hotel in advance.

'Tis the Season of Giving. Don't forget about those less fortunate this holiday season. Make last-minute charitable contributions and help somebody in need while adding another deduction to your tax return. Low on cash? You can charge your donation to a credit card or give a noncash con-

Following a few important steps before Dec. 31 can save you hundreds, maybe thousands of dollars on taxes this year. 

tribution to the Salvation Army or Goodwill and deduct its value.

More Info = More Money. One of the biggest reasons people miss out on free money during tax season is that they don't know the latest tax laws that affect their money. The tax laws are constantly changing and it's important to stay up to date on information that can make or break your return. Sites such as MSN Money provide updates on tax law plus tips and tricks that get you in the know, which usually means more money.

Use It or Lose It. It's time to empty your flexible spending accounts. These are "use it or lose it" accounts. In years past, if the money wasn't spent by the end of the year, you lost it. This year, your employer may give you until March 15, 2008, but this needs to be determined in advance. To be on the safe side, act now. That means it's time to prepay your orthodontist and purchase those new glasses.

For more tax insight from expert Jeff Schnepfer, visit MSN Money at <http://money.msn.com>.