

Top Tax Planning Strategies at a Glance

Form 1040 Roadmap <ul style="list-style-type: none"> • Use Form 1040 as a planning roadmap. 	Divorce <ul style="list-style-type: none"> • Ensure divorce-related property transfers are tax free. • Avoid tax and penalty on transfer or retirement assets.
Residences and Vacation Homes <ul style="list-style-type: none"> • Ensure gain on sale of a personal residence is nontaxable. • Deduct vacation home and timeshare costs. • Convert residence to rental and still exclude gain from sale. 	Charitable Giving <ul style="list-style-type: none"> • Donate appreciated property rather than cash. • Use donor-advised funds and other charitable-giving vehicles strategically.
Sole Proprietors <ul style="list-style-type: none"> • Avoid the hobby loss trap. • Maximize health care deductions. • Employ family members and save taxes. • Take advantage of favorable depreciation rules. 	Retirement Plans <ul style="list-style-type: none"> • Choose the best retirement plan for the self-employed. • Maximize IRA benefits. • Withdraw retirement assets penalty free before age 59-1/2
Compensation <ul style="list-style-type: none"> • Avoid AMT when exercising stock options. 	Alternative Minimum Tax <ul style="list-style-type: none"> • Beware of AMT trap when planning. • Avoid wasting deductions when AMT applies.
Stocks, Bonds and Mutual Funds <ul style="list-style-type: none"> • Minimize taxes on stock, bond and mutual fund transactions. • Don't overlook favorable tax rules for stock traders. 	Elderly <ul style="list-style-type: none"> • Maximize medical and long-term care deductions. • Plan for decedent's final return.
Real Estate <ul style="list-style-type: none"> • Use like-kind exchanges to avoid tax on real estate disposals. • Maximize real property depreciation deductions. 	Estate and Gift Tax <ul style="list-style-type: none"> • Make the most of lifetime gifts. • Use trusts to minimize estate taxes. • Planning to avoid probate. • What to look for when reviewing wills.
Children and Education <ul style="list-style-type: none"> • Open an IRA for a child. • Maximize education savings with QTPs and ESAs. 	