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# At Your Service

## Year-End Tax Tips

With the holidays drawing near, you may be thinking of family dinners, seeing old friends and finding the perfect gifts for those you love. But there is something else you should be considering - taxes. While it may seem too soon to think of April 17th; like the holidays, not waiting until the last minute can prove an effective strategy for getting the most out of your taxes this year. So when making your holiday plans, squeeze in time to give your taxes a once over. See how they measure up to our checklist below, and your pocketbook may thank you later.

**Compare standard versus itemized deductions** - Put the amount of your 2006 standard deduction next to your itemized deduction and see how the two compare. If your itemized deductions exceed the amount of your standard deduction, you will save tax dollars by itemizing. If your itemized deductions are close to your standard, then consider shifting some of them from one year to the next. For example, if you can't itemize in 2006 but can in 2007, consider making your annual charitable donation in January instead of December.

**Make flexible spending work for you** - If you don't rack up enough medical expenses in 2006 to meet the amount you set aside in your flexible spending account, you'll lose the money. If you've got extra, it's a good idea to start making a few last-minute appointments, and be sure to save your receipts for medications.

**Keep track of medical costs** - Keep track of your unreimbursed medical expenses all year long. You can deduct those only if they exceed 7.5 percent of your adjusted gross income. If you think you're close to the 7.5 percent requirement but not quite there, you may consider having an elective or necessary procedure before year-end (be sure to check that it is among the qualifying deductible expenses).

**Get serious about retirement** - One way to effectively lower your taxable income for the year is to contribute to or open a retirement plan, such as a 401(k), 403(b), deductible IRA, SIMPLE IRA or SEP. Make contributions for 2006 up until December 31st for 401(k)s and 403(b)s. With some plans, you have until April 17th to make those donations. Check with a tax professional to determine which move is best for you.

**Adopt a charitable attitude** - Donating clothing and household goods to charities before January 1, 2007, is not just a good deed; it's also deductible on your 2006 return. Be sure to get a receipt from the organization you're donating to, and keep in mind that the deduction

is limited to the item's current fair market value (what you could sell it for at a garage sale). So do a good deed, and let it work for you.

**Save with the sales tax deduction** - If you itemize deductions on your return, you can choose to either deduct your state and local income taxes or state and local sales taxes for 2006. For those living in states that don't impose an income tax, the choice is clear. For everyone else, number crunching will point the way to the most advantageous option.

**Put off the wedding** - If you're planning on getting married toward the end of the year, it may be wise to wait until 2007, for tax savings. The so-called "marriage penalty" can occur when married couples filing a joint return end up paying higher taxes than they would have been if each were still single. Ask your tax professional about how your tax situation will change so that you can plan accordingly.

**Sell off stock** - If you have a large net capital gain so far this year, you might want to consider selling some stock to generate a loss before year-end. Doing so could reduce the amount of tax you pay this year. However, remember that if you do sell stock to generate a loss, you are prohibited from purchasing substantially similar stock within 30 days before or after the sale that generated the loss.

**Give the gift of cash** - If you're planning on giving large cash gifts this holiday season, it's best to know the rules. If you're married you can gift up to \$22,000 to one individual free of gift tax. If you're single but the person to whom you're giving the cash gift is married, you can gift each person up to \$11,000 tax free.

**Don't let extra money sit around** - If you have a large amount of cash to invest and want to shift some of your income to 2007, consider investing in a short-term CD or a Treasury bill that matures in 2007.

**Strategies for the self-employed** - If you're self-employed and use the cash method of accounting, you can decrease your 2006 taxable income by delaying your December billings until January, setting up a qualified self-employed retirement plan (SEP) and deducting contributions you make on your 2006 return, and buying supplies and equipment this year instead of next.



# November Around Town

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Thrashers v Carolina Philips Arena	2 Barbara Streisand Philips Arena	3	4
5	6 Thrashers v Boston Philips Arena	7	8 Thrashers v Ottawa Philips Arena	9 Cheap Trick Roxy Theater	10 Thrashers v Rangers Philips Arena	11
12 Browns v Falcons Georgia Dome	13	14 Downtown Alpharetta Farmer's Market	15 Lionel Richie Fox Theater	16 Alive After 5-Roswell	17 Thrashers v Dallas Philips Arena	18 A Roswell Garden Club Christmas at Barrington Hall-Roswell  Duke v GA Tech
19 Saints v Falcons Georgia Dome	20	21 Alpharetta Arts Streetfest	22 Awesome Alpharetta Half Marathon & 10K  The Who Arena at Gwinnett	23 THANKSGIVING	24 A Christmas Carol Alliance Theater & Kudzu Playhouse	25 Thrashers v Florida Philips Arena
26	27	28	29 Christmas High Tea at Bullock Hall-Roswell	30 Thrashers v Toronto Philips Arena		



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## ***HILLBROOKE HOMES ACTIVITY***

**NO HOMES CURRENTLY FOR SALE!!!  
(OTHER THAN 'BY OWNER')**

### **RECENT SALES**

8/4/2006—5265 N. Hillbrooke Trace  
Sold price \$262,500  
44 days on the market  
\$7500 Seller paid closing costs