**For Immediate Release:**

**Contact:**

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| Troy Janisch |
| Business Owner's Toolkit |
| 608-827-7629 |
| troy.janisch@wolterskluwer.com |

**To Save on Taxes in April, Business Owners need to Implement Tax Strategies Now**

*Accelerating Expenses, Postponing Income, or Incorporating a Business Now May Help in April*

**Riverwoods, IL** – October 17, 2008 – www.toolkit.com – As 2008 heads into the fourth quarter, business owners who want to minimize their tax burden for this year and next have a range of options, but also face a considerable amount of uncertainty.

"Every tax year, there are actions you can take before year's end, and others you can delay until next year, that will have a positive impact on your tax bill," said John L. Duoba, managing editor of *Business Owner's Toolkit, an online destination for* [*small business tips*](http://www.toolkit.com/member_benefits.aspx). "This year is no different."

But the lack of activity coming out of the current Congress has many tax experts scratching their heads. A number of pending measures still require congressional action, so the rules could change between now and when taxes are due in April.

In the meantime, Duoba said business owners shouldn't delay fourth quarter tactics to reduce their tax burden. These tactics often include reducing your taxable income and tax rate, postponing income, and accelerating deductions. It’s also important to consider the implications of potential tax credits and the affect of Alternative Minimum Tax (AMT) rates.

**Reduce Taxable Income**Business owners should take full advantage of all available [tax deductions](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P07_0005), both business and personal.  They shouldn't overlook the possibility of purchasing health insurance, investing in their retirement, or providing perks like a company car through their business.

**Reduce the Tax Rate**Business owners can target a lower tax bracket by reducing income reported in the current tax year. If they're operating their business as a sole proprietorship, they can [incorporate their business](http://www.bizfilings.com/products/incorporate.asp) and deploy tax strategies that reduce personal tax liability. According to Karen Nathan, author of the book "Incorporate! An Easy Step-By-Step Plan for Entrepreneurs" and Director of Business Development for incorporation services leader BizFilings.com, many sole proprietors and partners incorporate their businesses to obtain tax advantages related to operating as a corporation.

**Postpone Income**To reduce 2008 income, business owners can delay year-end billings until late enough in the year so that payments won’t come in until 2009.  If operating their business as a [C corporation](http://www.bizfilings.com/products/ccorp.asp), owners can arrange for dividends to be paid after the end of the year.

**Accelerate Deductions**Business owners can purchase equipment and other large ticket items in 2008.  They should also consider expensing the cost of new equipment, rather than depreciating it. Prepaying deductible business expenses, including rent, interest, taxes, and insurance also increases deductions.

**Be Prepared to Claim Tax Credits**Business owners need to be aware of [tax credits they may be eligible for](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P07_3220) and meet those deduction requirements in 2008. When they’re available, tax credits are generally better than deductions because credits are subtracted directly from the tax bill.

**Consider Alternative Minimum Tax**If applicable, AMT can play havoc with tax planning. If an owner’s AMT liability and regular tax liability tend to be approximately equal from year to year, the best bet may be to maintain this stability. If deductions are not so evenly spaced and an owner tends to have great fluctuations in income from year to year, they may be able to shift some AMT-triggering items from an AMT year to a non-AMT year.

"It’s a good idea for small business owners to discuss these strategies with their accountant or tax professional," said Troy Janisch, Publisher of the Business Owner's Toolkit. "They can help predict your taxable income and determine strategies that will work best." In particular, he said it is important to identify and apply strategies now that need to be implemented by December 31.

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