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[Year-End Tax Timing Tips](#)

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If you want to cut your tax bill, watch your timing.

Generally, the advice at this time of the year is: accelerate your deductions such as charitable donations into the current year and delay your income, as much as possible, into the following year. However, Watch out.

Charitable Donations: Bunch Them Together for Deductions

Make the charitable donations when you can get the most deductions. This means make a charitable gift in a year when you can bunch all of the charitable gifts together to get the most deductions. For example, you run the numbers for this year and you realize even by donating to your favorite schools, charities or religious institutions, on your 1040 federal income tax form, you are still better off taking advantage of the standards deduction, not the itemized deductions. In that case, you could delay making the donations until next year when you bunch this year and next year donations together and can take advantage of the itemized deductions.

Prepay Local and State Taxes

Pay your local and state taxes this year, even though they are not due until next year. So, you can take advantage of deductions this year.

However, *DO NOT PREPAY*, if you are subject to Alternative Minimum Tax (ALT) for 2009. This is because state and local taxes are not deductible under ALT. ALT is a different federal tax system, to a large extent, than the regular federal tax system.

Certainly, for most people, number crunching is no fun. Indeed, it pays off, if you invest in some tax-preparation software such as Intuit's Turbo Tax for 2009.