MONEY MANAGEMENT

LAST-MINUTE TAX TIPS THAT HELP MINIMIZE YOUR TAX BILL

If you count yourself among the group of last-minute tax filers, take note of these recommendations provided by the Nevada Society of CPAs. They can help you whittle down your tax bill and avoid making costly mistakes.

CONTRIBUTE TO INDIVIDUAL RETIREMENT ACCOUNTS

You have until April 15 to make a tax-deductible contribution to an Individual Retirement Account(IRA), If you and your spouse both work, you can each contribute up to $2,000 annually to an IRA. If only one spouse is employed, you may set up a special spousal IRA and contribute up to $2,250.

Regardless of the amount of your income, you can deduct your entire IRA contribution if neither you nor your spouse is covered by an employers' qualified retirement plan. However, if you or your spouse are covered by a company retirement plan, your deduction could be limited if your adjusted gross income exceeds $25,000 ($40,000 if married). Once your income reaches $35,000 ($50,000 if married), you cannot deduct any of the contribution.

CAREFULLY SELECT YOUR FILING STATUS

Your filing status affects the amount of taxes you pay. For example, if you are a single parent and maintained a household that was the principal home for your child for more than one-half of 1993, you may be eligible to claim the head of household filing status — which subjects you to a more favorable tax rate than filing as a single.

If you are married, consider whether it is more beneficial to file a joint or separate return. Generally, it is in your best interest to file a joint return. However, when one spouse has incurred a substantial amount of tax-deductible expenses, such as medical expenses, and will qualify for a tax deduction based solely on his or her income, it may make sense to file separate returns.

CLAIM ALL DEPENDENTS

Remember to claim exemptions for all dependents, including a new baby or a parent who received more than half of his or her financial support from you during 1993. Each dependency exemption is worth $2,350 on your 1993 tax return. If your income is above certain levels, your deduction could be limited.

USE THE RIGHT BASIS

If you sold appreciated assets, such as stock, in 1993, be sure to use the right basis when calculating a gain or loss. Generally, your basis is the total cost of the item including acquisition costs, such as legal fees. If you use a basis that is too low, you risk being taxed on a higher gain than you actually realized.

DEDUCT WORTHLESS SECURITIES

If you invested in stocks or bonds that became worthless, you can generally deduct the amount you invested as a capital loss. If your losses are greater than your gains, you can use them to offset up to $3,000 of ordinary income and carry over the excess loss into future years.

TAKE THE CREDIT YOU DESERVE

Tax credits directly reduce your income tax liability. As you complete your tax return, determine whether you are eligible to take any of the following credits:

* Child and dependent-care credit — If you pay someone to care for your children so you and your spouse can work or go to school, you may be entitled to a tax credit equal to between 20 to 30 percent of your work-related child-care expenses. The maximum credit is $720 for one child and $1,440 for two or more children. However, the amount of the credit cannot exceed your regular tax liability.

* Credit for the elderly — Low income individuals who are 65 years of age or older, or retired and permanently and totally disabled, may qualify for a tax credit. The maximum credit is $750 for a single person, or $1,125 for a married couple.

* Earned income credit — You may be eligible to claim the earned income credit if your earned income and adjusted gross income were less than $23,050 in 1993 and you provided over half the cost of maintaining a household for a child under the age of 19 or under the age of 24 if he or she is a full-time student.

One last reminder: Remember to sign your return. If you file a joint return, both you and your spouse must sign and date the return or, say CPAs, it will not be considered valid.

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REAL ESTATE PERSPECTIVE

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new servicer.

*The name and toll-free or collect-call number of an employee of the new servicer

* You must also be informed of any effect the transfer has on mortgage life, disability or other optional insurance, and what the borrower must do to continue coverage.

The new servicer may not impose a late fee within 60 days of the transfer if the borrower makes a payment to the old servicer before the first payment to the new servicer is due.

Original lenders of government-related loans also must provide a statement on the likelihood a borrower's servicing will be transferred. A borrower's written correspondence for loan information must be acknowledged within 20 working days and responded to within 60 days. Penalties for noncompliance include damages and a class-action penalty of up to $500,000. Know your rights and continue to be knowledgeable and informed consumers.

As always, please contact a professional for all your Real Estate Needs or write to me c/o Real Estate Perspective, Las Vegas Sentinel-Voice Newspaper, 1201 South Eastern Avenue, Las Vegas, NV 89104.