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Top 7 Year End Financial Tips

August 28th, 2009 | by John Rothe |

1. Review investment portfolios for potential tax consequences. Did you own Apple or some other

high performing stock this year? Then you might want to take a look at the taxable gains in your portfolio. By selling the underperformers, you can reduce your tax liability from selling some of those high performers. You can even have a net capital gains loss of up to \$3,000 (consult your tax professional).

2. Watch out for taxes on mutual [funds](#). A common mistake investors make is to buy a mutual fund

in December. By law, mutual funds must pass any capital gains along to investors before the end of the year. By buying a fund at the wrong time, you could owe taxes on the fund as if you had held it all year long.

3. Required Minimum Distribution. If you turned 70 ½ before 2009, you must take a minimum distribution from your IRA account by December 31st. Your advisor can help you calculate the amount to be withdrawn.

4. Giving a gift to a charity. If you have a favorite charity, consider giving the gift of stock instead of cash. Stocks with large capital gains would be an excellent choice. Instead of selling them, you could donate them and avoid paying tax on the appreciation.

5. Add more to your 401k. To lower your tax bill, you may want to boost your 401(k) contributions,

but it is important to make sure you don't go over the limit.

6. Pay off those deductible expenses before year's end. If you pay off your state taxes or property taxes early, that accelerates your federal deductions. You can make an extra [mortgage](#) payment (the interest is deductible), or go for that dental work or surgery before year's end.

7. Lastly, take this time to get organized. Put together a [financial](#) binder with your important documents. Also include the locations of important documents (such as a will, safety deposit box location, bank accounts, etc.) This will make it easier for loved ones to track down documents in case anything should happen to you.

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