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'TIS TAX SEASON

By GREGORY BRESIGER

December 23, 2007 -- Ignore this story if you believe you didn't pay enough to Uncle Sam this year and want to pay more taxes in 2008.

Fine, now that I have everyone's attention consider these tax saving strategies, which must be used between now and the end of the year.

If you itemize deductions, there are ample opportunities to get some tax savings, said Anita Linn, a certified public accountant in Manhattan. While many are perennial chestnuts, they nonetheless will save you money and shouldn't be overlooked.

"Charitable contributions made by year end are deductible even if charged to a credit card," she said. State and local income tax payments are deductible for the 2007 tax year if made by the end of the month.

The government requires you to pay taxes on your investment gains. But don't forget investment losses, even if you eventually want to buy back a stock, said Robert Wander, a Manhattan certified financial planner.

"If the investor is holding a stock that is down from the price it was bought, the stock can be sold, thereby generating a capital loss," Wander said. If the investor wants to buy back the stock, it can be purchased in 31 days.

Within that 31-day period, Wander added, the proceeds of the stock sale can be put into an exchange traded or index fund so the investor isn't out of the market during this period.

Some people don't use this strategy because they have a difficult time admitting that they invested in a loser, said Bernard Kiely, who is both a CPA and certified financial planner in Morristown, N.J. "But it's a strategy that makes a lot of sense," he said.

All these tips could help you save on your 2007 tax return, and can be used again at the end of 2008. However, tax advisers warn there is one tax saving strategy that may never be available after this year: money transferred from an IRA and contributed to a qualified charity by someone age 70½ or older, which currently escapes any tax.

Unfortunately, this tax break is now due to expire on Dec. 31 unless Congress resurrects it.

While it lasts, however, this tax break has benefits for both the charity and the donor, Linn said.

"These transfers count towards your minimum required distribution, which then is not taxable on your return," Linn said.

Another tip can not only reduce your taxation, but also help your retirement savings, Kiely said. If you haven't made the maximum contributions to your 401(k) plan this year, and thereby not received the maximum tax deduction, check if you can make it up with one big contribution.