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Average family of 4 saves #3,000 - #6,000 annually on their income taxes by having a Home Based Business. That equates to an extra #250-#500 in your pocket every month on top of what you earn from your Home Based Business.

9 TAX TIPS FOR THE SELF-EMPLOYED

According to the Bureau of Labor Statistics, there were about 815,000 self-employed Americans at the end of 2014.

One of the biggest perks of the job is being your own boss. But you have to do a lot of other things to run a business, including playing the role of tax accountant. The Internal Revenue Service has made it easier to unlock valuable tax deductions for self-employed Americans. **Jeff Reeves,** author of *The Frugal Investor's Guide to Finding Great Stocks*, has nine tips that can help at tax time:

1 Tap the home-office deduction

Many self-employed people work out of their homes, and a home-office deduction can unlock big tax breaks — including writing off a percentage of your utilities or property taxes. Thankfully, "it is not a red flag for an IRS audit," says Monica Rebella, a certified public accountant based in California. "In fact, the IRS has come up with a simplified method" that allows you to write off $5 per square foot of office space up to 300 square feet. But, Rebella warns, just make sure your space is exclusively used as an office.

2 If it's business-related, then it's deductible

If you're a Web programmer, your laptop is a qualified business expense. But don't overlook everything that goes into running your business, including subscriptions to trade publications or even fruit baskets sent to your clients. Rebella said gifts have a maximum of $25 per person per year. The IRS describes deductible business expenses as "ordinary and necessary," so don't be afraid to claim an expense if it was directly related to the operation of your business — as long as you have the receipt.

3 Cash counts

"I find that business owners pay for business expenses with cash but forget or lose the receipts and miss thousands of dollars in tax deductions," Rebella said. She points to business lunches, tolls between appointments and postage as examples of qualified expenses you can deduct on your business taxes. If you lost the receipts, unfortunately the ship has sailed on your 2014 deductions, she said. But if that's the case, make sure you put an envelope in your glove compartment ASAP as a catchall for this year's receipts so you don't miss out next year.

4 It pays to save

Joseph Heider, president of Cirrus Wealth Management in Cleveland, notes that saving for retirement is tax-deductible, even in 2015. "If the small business has a retirement plan, they may deduct contributions" until they file their returns. Through options such as a Simplified Employee Pension plan, small-business owners and the self-employed can save up to 25% of net earnings and then deduct that amount on their taxes.

5 Name your kids as employees

Do you pay your son a few bucks to help with filing documents, or does your daughter run the lawnmower for your landscaping biz? You may want to officially put them on your payroll, because those expenses could bring down your overall tax burden as a business.

6 Be diligent about income

One of the biggest red flags to trigger an IRS audit is if a contractor or customer reports a transaction with you but you fail to do the same. It's crucial you keep accurate records of your true income and track down the relevant 1099s. And don't forget to check your math.

7 Deduct your health insurance

Being self-employed means no corporate entity providing cushy benefits. But the good news is that you are eligible to deduct the full cost of health insurance in many cases on your personal tax returns. This also goes for any employees for whom you pay insurance.

8 Don't overlook bad debt

Have you finally given up on chasing down a customer who skipped out on their bill? Well, while the lost revenue for your home business is obviously a bad thing, the good news is that the IRS allows you to deduct a bad business debt in the year it becomes worthless. As long as you have documentation, including a copy of the original transaction and any letters or e-mails you sent in an attempt to collect, Uncle Sam will help make up for your lost business with a tax break.

9 Confused? Then write off tax preparation

If you're intimidated by the minutiae of tax law, or if you just want to go to a professional to see what other deductions you're eligible for, you're in luck. The IRS allows tax-preparation expenses, as well as other professional legal and accounting services, to be deducted as a qualified business expense. So don't wing it — because there's no reason not to get the help you need when preparing your 2014 taxes.

Q Can you please explain how the Affordable Care Act will tax medical devices? In particular, I wear cochlear implants and if I upgrade to a new set that costs $10,000 for each ear, about how much will I be on the hook for? I have private insurance.
– BRIAN CRITES, LEE'S SUMMIT, MO.

Robert Powell
Special to USA TODAY

A The ACA does impose an excise tax of 2.3% on the sale of any taxable medical device. However, it's the manufacturer or importer that is responsible for the excise tax, not the consumer.

Put another way: You don't have to worry about paying that tax on your implants, says Rob Seltzer, certified public accountant and personal financial specialist with Womack Wealth Management in Beverly Hills, Calif.

"If your private insurance covers the implant, then the ACA has no implications," Seltzer says. You're not covered by ACA, and you're not a manufacturer or importer.

(FYI: The Affordable Care Act usually covers cochlear implants.)

More information about the excise tax on the sale of any taxable medical device can be found on the Internal Revenue Service website, irs.gov/uac/Medical-Device-Excise-Tax:-Frequently-Asked-Questions.

Robert Powell is editor of Retirement Weekly, contributes regularly to USA TODAY, The Wall Street Journal and MarketWatch and teaches at Boston University.