

## Tax Power for Individuals

**James O. Parker**

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Tax laws change regularly, which means that taxpayers may not know as much as they think they do. Even some tax preparers fail to keep abreast of year-to-year changes enough to adequately advise their clients. Consequently, taxpayers run the risk of paying more in taxes than they should.

*Tax Power for Individuals* describes how selected sections of the Internal Revenue code affect both employed and self-employed taxpayers. Examples illustrating application to individual situations follow each code description.

Types of income, deductions for and from adjusted gross income, alternative minimum tax and in-home office, and medical deductions are among the subjects covered. Checklists of classifications within the major categories conclude the book.

In addition to earning a law degree from Memphis State University, the author holds a master's degree in taxation law from Emory University School of Law. Parker's areas of private practice, in Memphis, Tennessee, include taxation, business law, probate, and real estate.

Self-employed taxpayers comprise more than two-thirds of small businesses in the United States, but they pay more in self-employment taxes than employed individuals whose employers pay half their FICA taxes. Other monetary advantages for employed workers include matching contributions to employee retirement accounts, health and welfare benefits such as disability and health insurance, vacation time, and sick leaves—all subsidized, at least partially, by employers. "Realizing what a burden self-employment taxes have become for self-employed taxpayers," Parker writes, "Congress has enacted measures that soften the blow of these taxes a bit."

Personal tax credits give taxpayers the advantage of a dollar-for-dollar tax liability offset and are intended for individuals in specific circumstances. For instance, Education Tax Credits may be used for tuition and related expenses for post-secondary education, with certain stipulations. A taxpayer, his spouse, and the dependents for whom he takes a deduction can use this credit. "The education tax credits are of particular importance to taxpayers who find it necessary to take courses in order to become qualified or certified for a new career," Parker explains.

Use of the passive voice challenges the reader's interest in persevering through this book. However, those who do will discover useful information. This book merits the attention of people seeking deeper comprehension of tax law that might help minimize their annual tax liability.

MARGARET CULLISON (December 11, 2007)

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