Name _____

Tax Magic: Reducing Your Tax Bill Legally!

Open-Ended Response Questions

1. Imagine you earn $60,000 per year and want to reduce your tax liability legally. Explain a tax planning strategy you could use, including specific deductions or credits that might apply.

2. If someone is planning to buy a house and take out a mortgage, explain how deducting mortgage interest can reduce their tax bill.

3. Discuss the advantages of contributing to a traditional IRA for a person who is looking to lower their current tax liability and save for retirement.

4. Why is it essential for individuals to be aware of tax planning strategies, and how can these strategies contribute to their financial well-being?

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