

Name \_\_\_\_\_

## Tax Magic: Reducing Your Tax Bill Legally!

### Multiple Choice Answer Key

1. a) Creating a game plan for your taxes to pay as little as possible

2. a) They directly reduce the amount of tax you owe.

3. b) Tax deductions lower your taxable income, while tax credits directly reduce the amount of tax you owe.

4. c) Retirement account contributions are deducted from your taxable income, reducing your current tax liability.

5. c) Timing matters because you can legally reduce taxes by strategically timing income and deductible expenses.

