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Thread: [Taxes??](#)

SIM-2072738 - March 22, 2016, 11:42 am

So for the past 5 months ive been trading penny stocks and a bit of Forex, started with \$3,000 and I was able to turn that into about \$19,000. Should I be reporting my profits and paying taxes on them? In the US btw

K?ng - March 22, 2016, 11:44 am

(Mar 22, 2016 11:42 AM)mikeyflash Wrote: [\[CITE\]](#) So for the past 5 months ive been trading penny stocks and a bit of Forex, started with \$3,000 and I was able to turn that into about \$19,000. Should I be reporting my profits and paying taxes on them? In the US btw

Yes, I suggest you hire someone to do it for you since it sounds like you aren't experienced with taxes yet.

You can also write off some of your losses through the year.

SIM-2072738 - March 22, 2016, 11:48 am

(Mar 22, 2016 11:44 AM)K?ng Wrote: [\[CITE\]](#) Yes, I suggest you hire someone to do it for you since it sounds like you aren't experienced with taxes yet.

You can also write off some of your losses through the year.

Thanks for the advice!

Reece Morgan - March 22, 2016, 12:22 pm

(Mar 22, 2016 11:44 AM)K?ng Wrote: [\[CITE\]](#) Yes, I suggest you hire someone to do it for you since it sounds like you aren't experienced with taxes yet.

You can also write off some of your losses through the year.

Just to be clear, taxes are paid on profit (which by definition already has the losses written off).

@OP: You made \$16,000, you should be paying 20% tax (UK tax, google your country). Which is \$3,200. No need to pay somebody to figure that out for you.

K?ng - March 22, 2016, 3:34 pm

(Mar 22, 2016 12:22 PM)Reece Morgan Wrote: [\[CITE\]](#) Just to be clear, taxes are paid on profit (which by definition already has the losses written off).

@OP: You made \$16,000, you should be paying 20% tax (UK tax, google your country). Which is \$3,200. No need to pay somebody to figure that out for you.

I'm not sure how it is done exactly but writing off taxes is a thing. My accountant has done it for me and it results in a bit less taxes than if I were to just say, I have this amount, I pay 29% so here it is. In actuality, I pay somewhere like 24%.

Canadian here though, not sure how it'd work anywhere else.

gtszzfinest - March 22, 2016, 3:39 pm

If they give you the forms just use Turbo tax. Its simple, and it walks you through everything. Some investment sites even let you import the data directly to turbotax

Reece Morgan - March 22, 2016, 5:32 pm

(Mar 22, 2016 03:34 PM)K?ng Wrote: [\[CITE\]](#) I'm not sure how it is done exactly but writing off taxes is a thing. My accountant has done it for me and it results in a bit less taxes than if I were to just say, I have this amount, I pay 29% so here it is. In actuality, I pay somewhere like 24%.

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Let's say you take in \$10,000 in a year. However, do make this \$10,000 you also had to drive to/from work, buy yourself lunch and buy some stationary. You'd subtract those expenses from your \$10,000 which would give you your profit (say \$8,500). You'd then pay your taxes on the \$8,500 instead of the original \$10,000.

This is how it works in the UK anyway, not 100% sure about other countries but I assume it's something similar.

ÇdnîS Lu?i? - March 22, 2016, 5:35 pm

19,000 in that short period of time? I'd like to see proof or you're trolling. Unless you PWNED FX then that's highly unlikely. Aside from that prevent irs audits because they suck, documenting FX SUCKS but you should invest in software that logs each entry and exit if you are consistently trading.