

Tax Prep Basics

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Joining Us Today



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Introducing our hosts!

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DIY or
Professional?

The Importance of Tax Prep



Maximize refunds and
minimize taxes

Avoid costly mistakes
and penalties

Stay organized and
reduce stress

Easier future tax filing
and audits

Gathering Documents

Let's walk through it!



W-2 - wage earners

1099 - freelance, investment income, etc.

1098 - mortgage interest, student loan interest

Last year's tax return

Receipts for deductions/credits (charitable donations, medical expenses, etc.)

2024 Tax Brackets

2024 Federal Income Tax Brackets and Rates for Single Filers, Married Couples Filing Jointly, and Heads of Households

CSV

EXCEL

PDF

PRINT

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,600	\$0 to \$23,200	\$0 to \$16,550
12%	\$11,600 to \$47,150	\$23,200 to \$94,300	\$16,550 to \$63,100
22%	\$47,150 to \$100,525	\$94,300 to \$201,050	\$63,100 to \$100,500
24%	\$100,525 to \$191,950	\$201,050 to \$383,900	\$100,500 to \$191,950
32%	\$191,950 to \$243,725	\$383,900 to \$487,450	\$191,950 to \$243,700
35%	\$243,725 to \$609,350	\$487,450 to \$731,200	\$243,700 to \$609,350
37%	\$609,350 or more	\$731,200 or more	\$609,350 or more

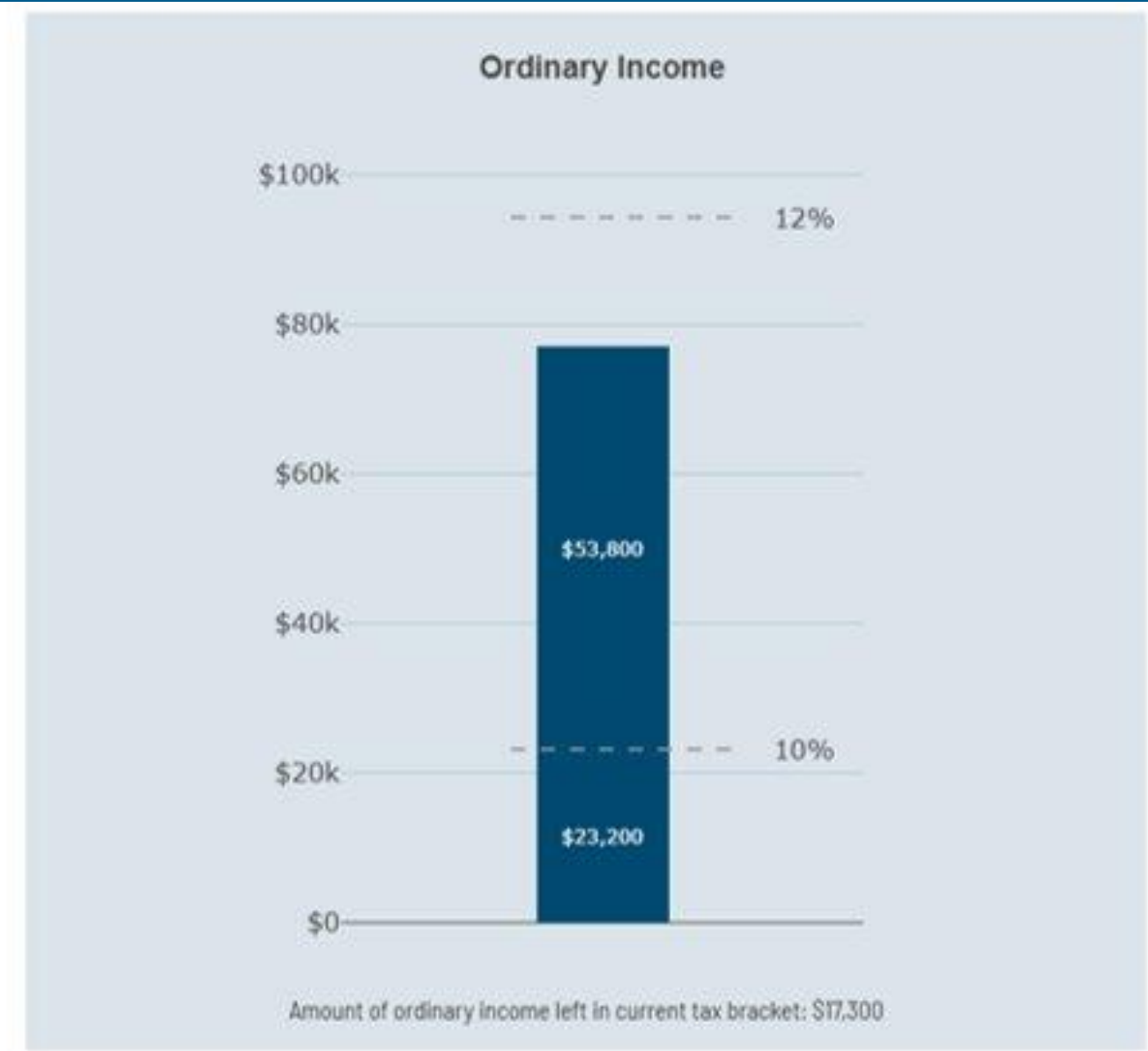
Source: Internal Revenue Service, "Revenue Procedure 2023-34."

Example: Married Filing Jointly \$82,250 taxable income

Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	\$0 to \$23,200	\$23,200	\$2,320
12%	\$23,200 to \$94,300	\$53,800	\$6,456
22%	\$94,300 to \$201,050	\$0	\$0
24%	\$201,050 to \$383,900	\$0	\$0
32%	\$383,900 to \$487,450	\$0	\$0
35%	\$487,450 to \$731,200	\$0	\$0
37%	\$731,200 and above	\$0	\$0
Total		\$77,000	\$8,776



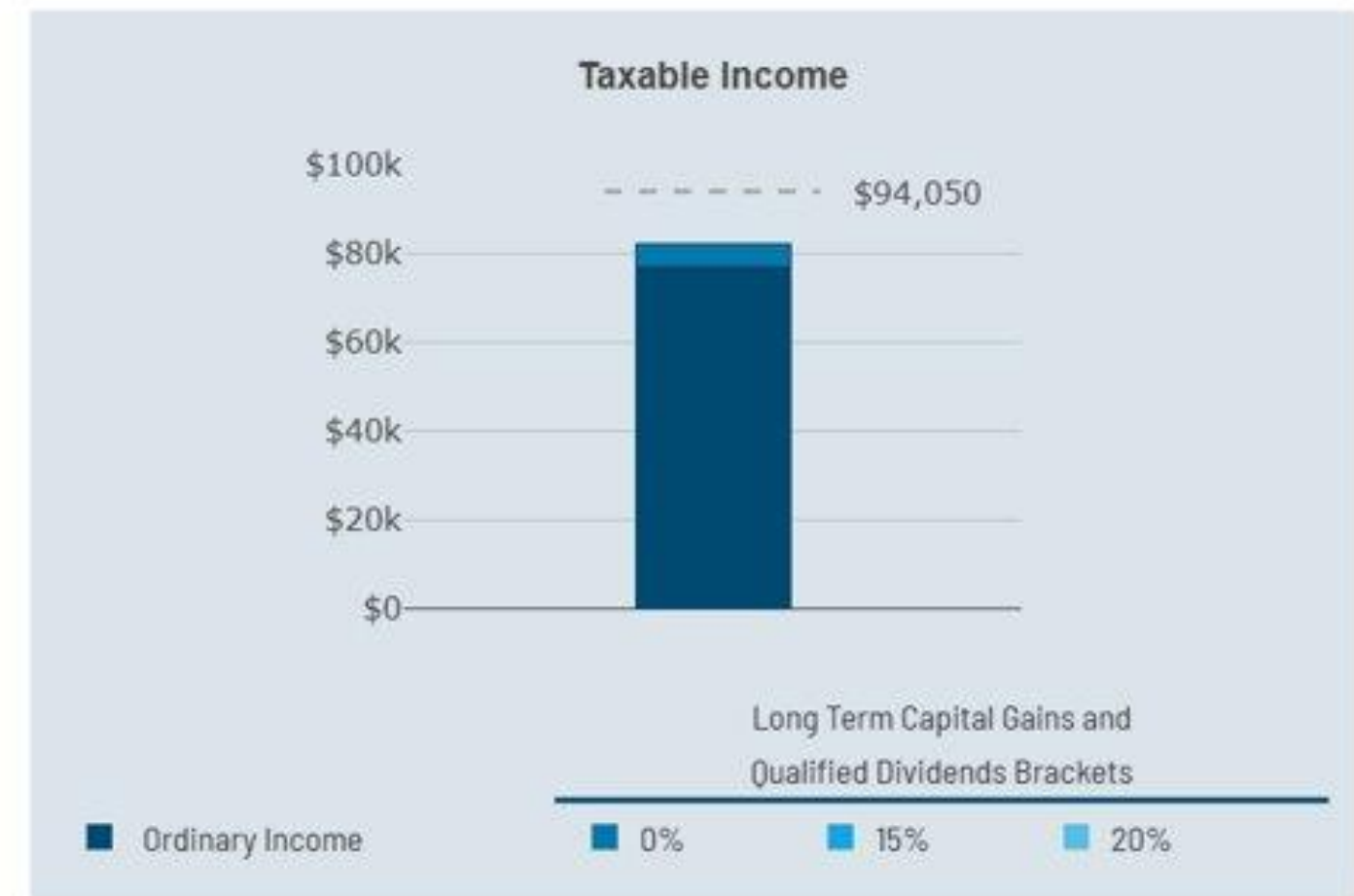
Source: Holistiplan

Capital Gains

Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of \$82,250 includes \$5,250 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	\$0 to \$94,050	\$82,250	\$5,250	\$0
15.0%	\$94,050 to \$583,750		\$0	\$0
20.0%	\$583,750 and above		\$0	\$0
Total			\$5,250	\$0



Source: Holistiplan

Social Security

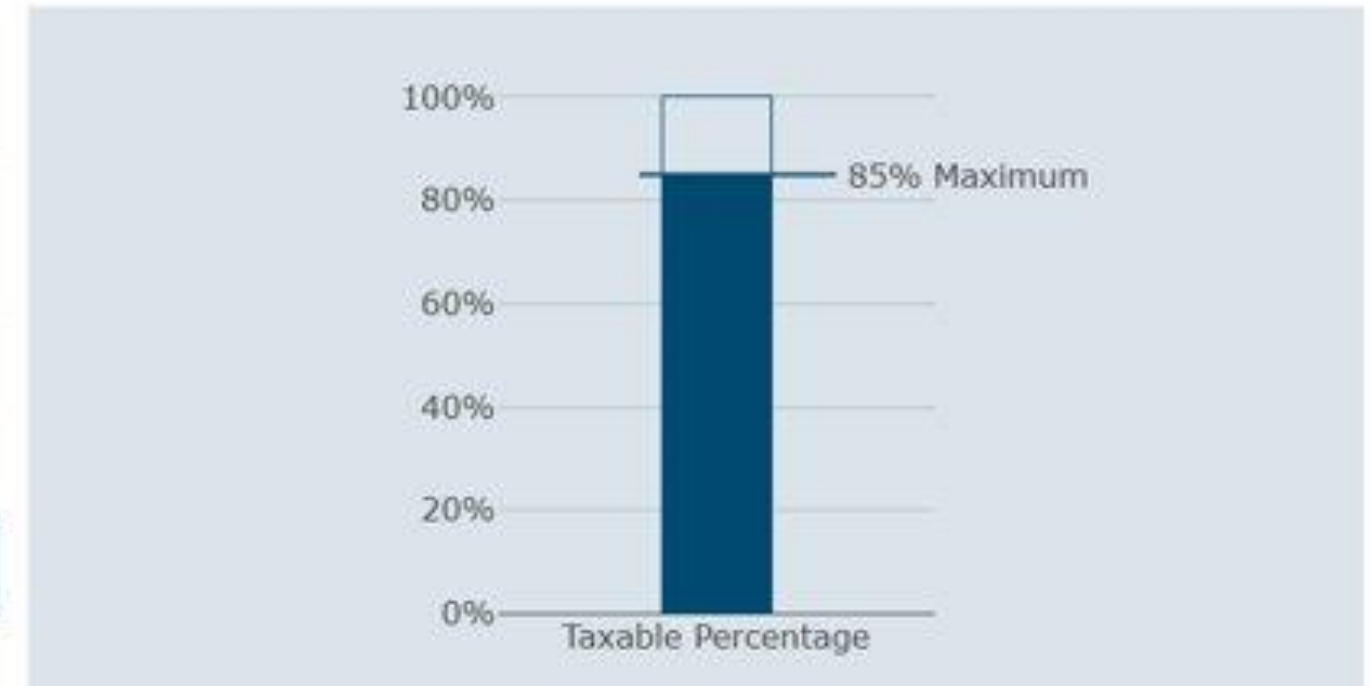
Social Security

TAXATION OF SOCIAL SECURITY

Taxable Percentage	Income Threshold	Combined Income *	Your Taxable Percentage
0% Taxable	Less than \$32,000		
Up to 50.0% taxable	\$32,000 to \$44,000		
Up to 85.0% taxable	More than \$44,000	\$94,800	85.0%

SOCIAL SECURITY

Description	Amount
Total Benefits	\$57,000
Taxable Percentage	85.0%
Taxable Benefits	\$48,450



* Combined income (provisional income)

AGI (not including Social Security benefits)	\$66,100
Nontaxable Interest	\$200
50% of your Social Security benefits	\$28,500
Total combined income	\$94,800

Source: Holistiplan

Retirement Contributions

Traditional vs.
Roth IRA tax
treatment

Contribution limit
for 2024: \$7,000
(\$8,000 if you're
50 or older)

2024 401(k) contributions

- Employee limit: \$23,000
- Catch-up contributions for 50 or older:
\$7,500

New in 2025:

Super catch-up for 60-63: \$11,250

Investment Accounts

Tax treatment of brokerage accounts vs. retirement accounts

Qualified vs. non-qualified dividends

Strategies for tax-efficient investing

Common Deductions

Purpose:
Reduce Taxable Income

1.

HSA and IRA contributions

2.

Self-employed
business expenses

3.

Student loan interest

4.

Standard deduction
(\$15,000 single and
\$30,000 MFJ)

5.

Mortgage interest and
property taxes (SALT
limit: \$10k)

6.

Medical expenses
(exceeding 7.5% AGI)

Common Credits

Purpose:
Reduce Tax Liability \$ for \$

1.

Child tax credit (\$2k per child, partially refundable)

2.

Earned income tax credit (lower-income workers)

3.

Education credits
(American Opportunity Credit up to \$2,500, PR)

4.

Saver's credit (for retirement contributions, up to 50% credit)

5.

Energy efficiency credits (solar panels, EV purchases, etc.)

Estimated Taxes and Withholdings

Who needs to pay taxes?

How to adjust W-4 withholding

Safe harbor rules to avoid penalties

- 90% of current year
- 100/110% of previous year

this the amount of any other credits. Enter the total here		\$	\$
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$
	(c) Extra withholding. Enter any additional tax you want withheld each pay period . .	4(c)	\$

Common Mistakes

1.

Filing errors

2.

Overlooking
income

3.

Missing deductions
or credits

4.

Under or overpaying
taxes

5.

Forgetting
important
deadlines

1099-Rs

☐ VOID☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Gross distribution

OMB No. 1545-0119

2024

Form 1099-R

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

2a Taxable amount

2b Taxable amount not determined

Total distribution

Copy 1 For State, City, or Local Tax Department

PAYER'S TIN

RECIPIENT'S TIN

3 Capital gain (included in box 2a)

4 Federal income tax withheld

5 Employee contributions/ Designated Roth contributions or insurance premiums

6 Net unrealized appreciation in employer's securities

7 Distribution code(s)

IRA/ SEP/ SIMPLE

8 Other

9a Your percentage of total distribution

9b Total employee contributions

10 Amount allocable to IRR within 5 years

11 1st year of desig. Roth contrib.

12 FATCA filing requirement

14 State tax withheld

15 State/Payer's state no.

16 State distribution

Account number (see instructions)

13 Date of payment

17 Local tax withheld

18 Name of locality

19 Local distribution

Form 1099-R

www.irs.gov/Form1099R

Department of the Treasury - Internal Revenue Service

Backdoor Roth IRA Contributions

Form

8606

Department of the Treasury
Internal Revenue Service

Nondeductible IRAs

Attach to 2024 Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form8606 for instructions and the latest information.

OMB No. 1545-0074
2024
Attachment
Sequence No. **48**

Name. If married, file a separate form for each spouse required to file 2024 Form 8606. See instructions.

Your social security number

Fill in Your Address
Only if You Are
Filing This Form by
Itself and Not With
Your Tax Return

Home address (number and street, or P.O. box if mail is not delivered to your home)

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).

Foreign country name

Foreign province/state/county

Foreign postal code

Part I

Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, Traditional SEP, and Traditional SIMPLE IRAs
Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2024.
- You took distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2024 **and** you made nondeductible contributions to a traditional IRA in 2024 or an earlier year. For this purpose, "distributions" **does not** include rollovers (but does include certain 2024 retirement plan distribution repayments treated as rollovers (see instructions)). Also, it **does not** include qualified charitable distributions, one-time distributions to fund an HSA, conversions, recharacterizations, or returns of certain contributions.
- You converted part, but not all, of your traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2024 **and** you made nondeductible contributions to a traditional IRA in 2024 or an earlier year.

1

Enter your nondeductible contributions to traditional IRAs for 2024, including those made for 2024 from January 1, 2025, through April 15, 2025. See instructions

1

2

Enter your total basis in traditional IRAs. See instructions

2

3

Add lines 1 and 2

3

In 2024, did you take a distribution from traditional, traditional SEP, or traditional SIMPLE IRAs, or make a Roth, Roth SEP, or Roth SIMPLE IRA conversion?

No

Enter the amount from line 3 on line 14. Do not complete the rest of Part I.

Yes

Go to line 4.

4

Enter those contributions included on line 1 that were made from January 1, 2025, through April 15, 2025

4

5

Subtract line 4 from line 3

5

6

Enter the value of all your traditional, traditional SEP, and traditional SIMPLE IRAs as of December 31, 2024

6

Key Dates and Deadlines

Standard Filing & Payment Deadlines

January 15, 2025 – Q4 2024 estimated tax payment due (self-employed, investors)

April 15, 2025 –

- Tax filing deadline for 2024 returns (or file for an extension)
- Final day to contribute to IRAs & HSAs for 2024
- Q1 2025 estimated tax payment due

June 16, 2025 – Q2 2025 estimated tax payment due

September 15, 2025 – Q3 2025 estimated tax payment due

Extension & Special Deadlines

October 15, 2025 – Extended tax filing deadline (if requested by April 15)

December 31, 2025 –

- Deadline for tax-loss harvesting & Roth conversions
- Last day to make charitable donations for 2025 deductions
- Required Minimum Distributions (RMDs) deadline for those age 73+

DIY or Professional?

Some Guidelines



Do-It-Yourself

- Simple situation
- Comfortable with tax software
- No major life changes
- Enjoy taking the time to learn about tax rules

Professional

- Complex income sources
- Major life changes
- Concerned about audit risks
- Lack of time or confidence



Final Thoughts & Questions



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*Thank
You.*

Sources

- IRS.gov
- Holistiplan



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