

# Tax Planning: Building Financial Well-Being in 2023 and Beyond



## Use this checklist to mark off items as you address them during your year-end tax planning.

### For Everyone:

- Review preliminary tax projection with my CPA.
- Review withholding and tax payments with my CPA.
- Review potential future tax brackets with my wealth manager.
- Have my wealth manager review my portfolio for gain/loss harvesting.
- Consider timing for realizing gains/losses.

### For Retirement Account Holders:

- Complete required minimum distributions for 2023.
- For retirement account holders older than 73, review options for tax planning.
- For inherited retirement accounts (within 10 years after the Secure Act), review options for tax planning.

### For Individuals Seeking Deductions:

- Review potential “above the line” deductions.
- Ensure Health Savings Accounts (HSA) contributions are within limits.
- Plan to make IRA contributions by April 15, 2024.
- Consider Qualified Charitable Deductions (QCDs) if you are older than 70 ½.
- For MN taxes only: 529 contributions, limited to \$1,500 single/\$3,000 married.

### For Employees:

- Review my employer benefits packet for tax opportunities.
- Make retirement plan contributions (401(k), 403(b), 457(b)).
- Contribute to deferred compensation (if applicable).
- Ensure health, dental, and disability insurance premiums are deductible.
- Utilize flexible spending accounts (FSAs).
- Make Health Savings Account contributions (HSAs) if eligible.

### For Employees with Stock Options:

- Understand the tax implications of employee stock (ESOPs, RSU, ESPPs, etc).
- Evaluate the tax impact of exercising employee stock options.

### For Itemized Deductions:

- Review itemized deductions.
- Be aware of SALT limit of \$10,000.
- Mortgage interest deduction available on loans is up to \$750,000 on a primary residence.
- Consider a bunching strategy for charitable deductions with a donor advised fund.
- Consider giving appreciated securities for your charitable giving.

### **For Tax-Savvy Individuals:**

- Consider intentionally increasing income to save future taxes.
- Consider making Roth contributions instead of pre-tax.
- Evaluate converting IRA assets into Roth IRAs.
- Think about realizing capital gains this year.

### **For Estate Planning and Wealth Transfer:**

- Consider wealth transferring strategies to benefit the next generation.
- Make use of gifting (gift tax exclusion of \$17,000/person/giver for 2023).
- Consider life insurance to pay income or estate tax liabilities (pair with an irrevocable life insurance trust - ILIT).
- Evaluate intrafamily loan strategies
- Think about Roth conversions, considering the tax rates of heirs.
- Consult with your advisor about advanced charitable giving and estate transfer strategies.

### **For Business Owners:**

- Ensure bookkeeping is in order for 2023.
- Be aware of QBI Deduction limits (if applicable).
- Consider Pass-Through Entity Tax (if applicable).
- Plan for employee profit sharing in a SEP IRA or 401(k) plan.
- Review potential business deductions with your CPA.

---

For additional help, please reach out to our team at 360 Financial. We're here to help navigate critical financial events and seek to ensure you leave a legacy you're proud of.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

This information is not intended to be a substitute for individualized tax advice. We suggest that you discuss your specific tax situation with a qualified tax advisor.