



Year End **TAX** **GUIDE**

U.S. EDITION: 2023

Year-End Guide to help navigate key dates, optimize tax strategies, and plan for success with expert insights tailored to maximize your financial well-being.



Visit Us
rockfleetfinancial.com

Call Us
+1 212-257-2235

Email Us
info@rockfleetfinancial.com

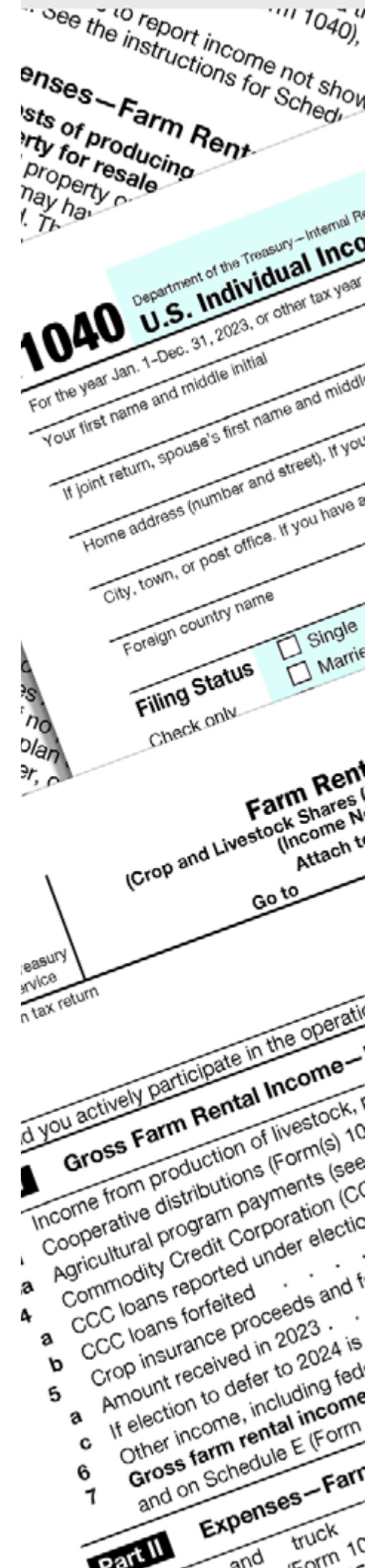
Welcome to the Rockfleet Financial Services Year-End Tax Guide.

This comprehensive guide is meticulously crafted to empower individuals like you with a detailed, practical roadmap, offering a strategic approach to take control of your financial future.

We've harnessed insights from definitive sources, covering indispensable topics such as tax deadlines, year-end strategies, wealth transfer blueprints, trust planning tactics, and the art of strategic charitable giving.

— *"The best things in life are free, but sooner or later, the government will find a way to tax them."*

- Anonymous



Internal Revenue Service (IRS) Inflation Adjustments: What You Need to Know

The IRS has updated tax brackets for 2024, ranging from 10% to 37%. This means that different income levels will be taxed at different rates. The following table shows the 2024 tax brackets for single filers and married couples filing jointly:

2024 Tax Brackets

Tax Bracket	Single Filers	Married Couples Filing Jointly
10%	\$0-\$10,275	\$0-\$20,550
12%	\$10,276-\$41,775	\$20,551-\$83,550
22%	\$41,776-\$89,075	\$83,551-\$173,850
24%	\$89,076-\$172,750	\$173,851-\$347,700
32%	\$172,751-\$215,500	\$347,701-\$425,800
35%	\$215,501-\$539,900	\$425,801-\$851,600
37%	\$539,901+	\$851,601+

Capital Gains Taxes

The tax rates for capital gains remain the same for 2024, but the income thresholds for those rates are increasing. The following table shows the 2024 capital gains tax rates and income thresholds:

Tax Rate	Single Filers	Married Couples Filing Jointly
0%	Up to \$47,025	Up to \$94,050
15%	Up to \$518,900	Up to \$583,750
20%	Above \$518,900	Above \$583,750

Standard Deduction Changes for 2024

Standard Deduction for Married Filing Jointly (MFJ) is \$29,200 (up from \$27,700).

Standard Deduction for Single filers is \$14,600 (up from \$13,850).

Standard Deduction for Head of Household Filers is \$21,900 (up from \$20,800).



IRS (Internal Revenue Service) Inflation Adjustments: What You Need to Know

Employer Sponsored Retirement Plan Limits for 2024

The maximum employee contribution to employer-sponsored retirement plans (401k, 403b, 457) will be \$23,000 (up from \$22,500).

Catch-up contributions remain at \$7,500 for individuals aged 50 and above.

The maximum contribution between employee and employer for 2024 is \$69,000 (up from \$66,000). If you are over 50, the limit increases to \$76,500.

Individual Retirement Account (IRA) Limits for 2024

The annual IRA contribution limit for 2024 is \$7,000. This is an increase of \$500 from the 2023 limit of \$6,500.

The catch-up contribution limit for individuals aged 50 and above remains at \$1,000 for 2024. This means that individuals aged 50 and above can contribute an additional \$1,000 to their IRA, for a total of \$8,000.

The IRA contribution limits are the same for both traditional IRAs and Roth IRAs.

You can contribute to an IRA even if you are covered by a retirement plan at work. However, your total contributions to all of your IRAs and retirement plans at work cannot exceed \$69,000 in 2024 if you are under age 50, or \$79,000 if you are age 50 or older.

You can deduct your IRA contributions from your taxable income, up to the limit of your adjusted gross income (AGI). If your AGI is too high, you may be able to make non-deductible IRA contributions.

You can withdraw your IRA contributions at any time without penalty. However, you will have to pay taxes and a 10% early withdrawal penalty on any earnings you withdraw before you reach age 59 1/2.

Here are some additional things to keep in mind about IRA contributions:

- You must have earned income to contribute to an IRA. The amount of earned income you must have depends on your filing status and whether you are covered by a retirement plan at work.
- You cannot contribute to an IRA if you are a participant in a SIMPLE IRA.
- You cannot contribute to an IRA if you are a spouse of a participant in a SIMPLE IRA and your combined AGI exceeds \$218,000 in 2024.

If you have any questions about IRA contributions, you should consult with a tax advisor.

Gifting Limits for 2024

Gift and estate tax exemption (Unified Credit) for 2024 increases to \$13,610,000 per person (up from \$12,920,000).

The annual Gift Tax Exclusion amount is \$18,000 (up from \$17,000) per donee.

Key Dates for Your Financial Calendar

2023

November 29:

The last day to execute the doubling-up strategy where you buy as many shares as you already own in a security with losses and sell 31 days later.

December 29:

As the year draws to a close, don't forget to wrap up your financial moves:

- Last trading day.
- Final chance to sell publicly traded securities to recognize a loss in 2023.
- The last day for noncharitable gifts and charitable gifts using publicly traded securities.

December 31:

Last day to withdraw your Required Minimum Distribution (RMD), if applicable.

2024

January 16:

Initiate the year with your estimated tax payment.

January 29:

The day you can start buying substantially identical securities without violating the wash-sale rule.

April 15:

Mark your calendars for the income tax return due date if you're a nonresident of Maine or Massachusetts, along with 2023 taxes. Alternatively, you may also file for an extension. Also, the estimated tax payment is due.

April 16:

For residents of Maine or Massachusetts, this is the deadline for your income tax return, or extension request, along with 2023 tax payments.

June 17:

Ensure your estimated tax payment is submitted on time.

October 15:

The due date for your 2023 income tax return, if you've filed for an extension.



Now, let's delve into the core of your year-end financial considerations.

Portfolio Evaluation:

Assess your investment portfolio for potential adjustments.

Harvesting Losses:

Harvesting losses involves selling investments that have declined in value to offset capital gains.

Identifying Worthless Securities:

Recognize securities with no future value for potential write-offs.

Deferring Gains Using Qualified Opportunity Funds:

Explore opportunities to delay capital gains recognition by investing in qualified opportunity funds.

Deducting State and Local Taxes:

Uncover strategies to optimize deductions related to state and local taxes.

Managing Concentrated Stock Positions:

Diversify concentrated stock holdings to reduce risk.

Estimating Taxes and Planning for Payment:

Calculate estimated taxes and devise a payment plan.

Determining 2023 vs. 2024 Income, Deductions, and Credits:

Optimize the timing of income, deductions, and credits for maximum tax benefits.

Assessing Effective Alternative Minimum Tax:

Evaluate your tax liability under the alternative minimum tax system.



State Tax Planning

- Residency Management: Explore strategies for optimizing your state of residence for tax efficiency.
- Residence Change: Consider relocating to a more tax-friendly state.
- Shifting Income and Gains Across State Lines: Investigate options for moving income and gains to lower-tax states.

Retirement Planning

- Maximizing Contributions to Retirement Plans: Contribute the maximum allowed to your retirement accounts.
- Taking Required Minimum Distributions: Ensure compliance with required minimum distribution rules for retirement accounts, or pay a 50% excise tax on the amount not distributed as required.

Wealth Transfer Planning

- Estate Plan and Asset Ownership Review: Evaluate your estate plan and asset ownership to enhance efficiency.
- Leveraging Annual Exclusion Gifts: Use annual gift exclusions to transfer assets tax-efficiently.
- Direct Payment of Tuition and Medical Expenses: Pay educational and medical expenses directly to providers to maximize gift and estate tax benefits.
- Utilizing Lifetime Exemption: Make use of the lifetime exemption to shield your estate from taxation.



Charitable Giving

- Year-End Charitable Gifts: Contemplate making year-end charitable contributions for tax benefits and philanthropic purposes.
- Exploring Qualified Charitable Distributions: Investigate the advantages of making qualified charitable distributions from your retirement accounts.
- Creating Charitable Remainder or Charitable Lead Annuity Trusts: Explore options for establishing charitable trusts to achieve both charitable and financial goals.
- Managing Private Foundations: If you have a private foundation, review investments and operations for year-end compliance.

Trust Planning and Administration

- Issuing Crummey Notices: Ensure compliance with gift tax rules by providing Crummey notices for irrevocable trusts.
- Understanding Income Tax Implications of Grantor Trusts: Grasp the income tax implications of grantor trusts and consider changing grantor trust status if appropriate.
- Making Year-End Distributions from Non-Grantor Trusts: Consider distributing assets from non-grantor trusts for tax efficiency.



Conclusion:

In conclusion, the Year-End Tax Guide (U.S. EDITION 2023) by Rockfleet is designed to equip you with valuable insights and strategic considerations for optimizing your financial plan. Understanding the key changes, critical dates, and available options can be instrumental in making informed decisions that align with your financial goals.

However, it's crucial to recognize that individual financial situations vary, and the information provided in this guide is not a one-size-fits-all solution. Always keep in mind that tax laws and regulations may change, affecting the applicability of certain strategies.

We strongly recommend consulting with your tax and financial professionals to tailor these considerations to your unique circumstances. Your tax advisor can provide personalized insights, ensuring that your financial decisions align with current tax laws and regulations.

At Rockfleet, we are committed to providing you with valuable resources to enhance your financial literacy and empower you to make sound financial decisions. If you have any questions or need further clarification on any of the topics covered in this guide, don't hesitate to reach out to your Rockfleet Financial Advisor.

Thank you for entrusting Rockfleet with your financial well-being. Here's to a prosperous and well-planned financial future!



Disclaimer:

Rockfleet Financial Services, Inc. is a registered broker-dealer and investment adviser with the Financial Industry Regulatory Authority (FINRA) and the U.S (United States). Securities and Exchange Commission (SEC). Rockfleet and its affiliates provide financial planning, investment advisory, and brokerage services. The information provided in this Year-End Financial Considerations Guide is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instruments.

This guide is not intended to provide specific investment, tax, legal, or accounting advice. Individuals should consult with their financial and legal advisors before making any investment or financial planning decisions. Rockfleet and its employees do not provide tax or legal advice.

The content of this guide is based on information believed to be accurate as of its publication date, but Rockfleet does not guarantee the accuracy or completeness of the information provided. The information is subject to change without notice.

Investing involves risks, and past performance is no guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for an individual's portfolio.

This guide is not intended as fiduciary or best interest investment advice, nor does it recommend specific courses of action. The strategies and considerations outlined in this guide may not be suitable for every individual, and individuals should carefully consider their financial circumstances and consult with their advisors before implementing any strategies.

Rockfleet may receive compensation in connection with investments made by clients, and additional compensation from third parties whose investments are distributed. This introduces potential conflicts of interest, particularly when recommending the transfer of assets to Rockfleet from another financial institution or employer retirement plan, or when making investment recommendations for assets within our purview.

For more information about our business practices, conflicts of interest, and the investments available at Rockfleet, please call Rockfleet at 212-257-2205 and speak with one of our advisors.

The Internal Revenue Service (IRS) tax information provided in this guide is for educational purposes only and should not be considered tax advice. Individuals should consult with their tax advisors regarding their specific tax situation.

Rockfleet Financial Services, Inc. is not affiliated with the IRS, FINRA, or the SEC.

© 2023 Rockfleet Financial Services, Inc. All rights reserved.

Address
—

The Graybar Building
420 Lexington
Ave
New York, NY
10170

Follow Us on X
—

@rockfleet



Visit Us

rockfleetfinancial.com

Call Us

+1 212-257-2205

Email Us

info@rockfleetfinancial.com