

Tax Update

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About me...

- I'm a creative CPA/PFS, CFP®!
- Over 20 years experience in tax, estate, and financial planning.
- Prior to co-founding marrick wealth in 2012, Marty worked at two fee-only RIA firms and Northern Trust.
- I have serviced wealthy families throughout my career; my current practice serves families with investment portfolios of \$2 million - \$10 million.
- I'm married with 3 kids and a golden retriever. I enjoying surfing, swimming and yoga.



Why Is Tax Planning Important?

- A big part of financial planning is tax planning
- The *less* money you pay in taxes,
 - the *more* you have to devote toward your financial goals
- Working with the right advisor
 - Manage your income & withdrawals to minimize the tax impact
 - Maximize tax-advantaged savings opportunities & tax breaks

2022 Tax Deadline Extended

- IRS/FTB provides tax relief for CA taxpayers affected by winter storms
- Automatic Extension date: **October 16, 2023**
- Includes 2022 Individual and Business tax returns
 - 2023 Quarterly Estimated Tax Payments
 - 2022 IRA Contributions
- Most of the counties in the state including...
 - Orange, Los Angeles & San Bernardino

Taxes

- Federal Gift & Estate Tax
- Property taxes in California
- Income taxes
- Potential Changes
- Planning Considerations



Federal Gift & Estate Taxes

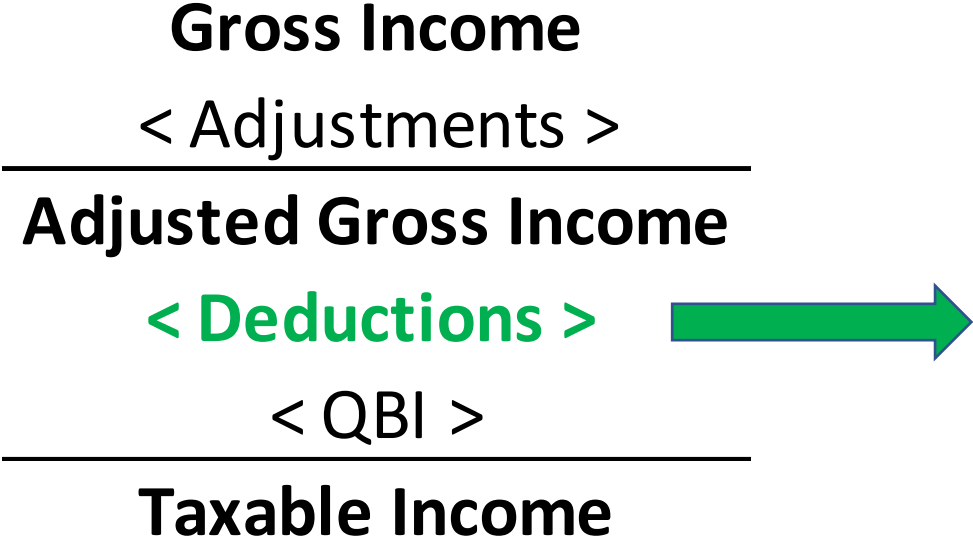
	2023
Annual Gift Tax Exclusion	\$17,000
Estate Exemption	\$12,920,000
Estate Tax Rate (highest)	40%



Property Taxes in California

- Persons 55+ can transfer tax base of primary residence 3x (anywhere in CA)
- Victims of natural disasters can transfer rate 1x
- Can no longer transfer \$1M of other real property without reassessment
- Primary residence transfers between parent and child must meet two conditions:
 - Must be used as primary residence of child
 - FMV cannot exceed the transferor's assessed value by > \$1M

What Is Your Tax Bracket?



Deductions - **Greater** of:

Standard Deduction

- Single \$13,850 + \$1,850 over age 65
- MFJ \$27,700 + \$1,500/spouse over age 65

Itemized Deductions

- Medical & Dental Expenses (over 7.5% of AGI)
- Long-Term Care Premiums (limited based on age)
- Property/State Taxes You Paid (\$10,000 limit)
- Mortgage Interest You Paid
- Gifts to Charity

Ordinary Income vs. Capital Gains

Ordinary Income		
Rate	Single	Married
10%	\$0 - \$11,000	\$0 - \$22,000
12%	\$11,001 - \$44,725	\$22,001 - \$89,450
22%	\$44,726 - \$95,375	\$89,451 - \$190,750
24%	\$95,376 - \$182,100	\$190,751 - \$364,200
32%	\$182,101 - \$232,250	\$364,201 - \$462,500
35%	\$231,251 - \$578,125	\$462,501 - \$693,750
37%	\$578,126 +	\$693,751 +

Examples:

- Wages
- Interest & Non-Qualified Dividends
- Social Security Benefits
- Pension
- IRA Distributions
- Rental Income
- Gain on sale of assets owned < 1 year

Capital Gains		
Rate	Single	Married
0%	\$0 - \$44,625	\$0 - \$89,250
15%	\$44,626 - \$492,300	\$89,251 - \$553,850
20%	\$492,301 +	\$553,851 +

Examples:

- Qualified Dividends
- Gain on sale of assets owned > 1 year

Also, 3.8% Net Investment Income Tax

- Single \$200,000, Married \$250,000

Gift & Estate Taxes

2023

Annual Gift Tax
Exclusion

\$17,000

Estate Exemption

\$12,920,000

Estate Tax Rate
(highest)

40%

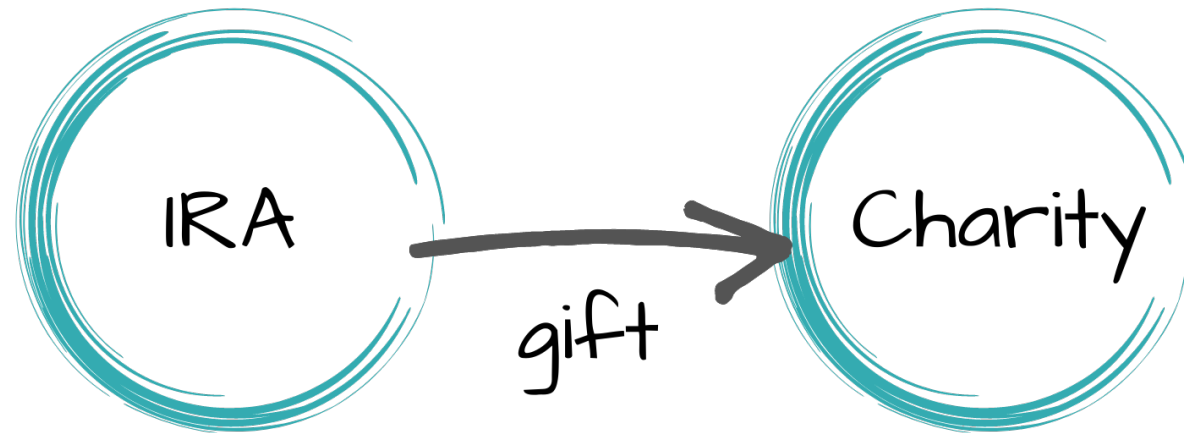
Required Minimum Distributions (RMD)

The SECURE Act 2.0 pushes back the age you must begin taking RMDs:

Birthdate	RMD Age
Before July 1, 1949	70.5
July 1, 1949 - 1950	72
1951 – 1959	73
1960 or later	75

Qualified Charitable Distribution (QCD)

Charitable giving after **Age 70-1/2** made simple by the IRS:



Donate up to **\$100,000** directly from your IRA instead of taking your Required Minimum Distribution (RMD)

2023 Medicare

Income Related Monthly Adjustment Amounts (IRMAA)

Single	Married Filing Jointly	Part B Premium	Part D IRMAA
\$97,000 or less	\$194,000 or less	\$164.90	\$0 + your plan premium
\$97,000 to \$123,000	\$194,000 to \$246,000	\$230.80	\$12.20 + your plan premium
\$123,000 to \$153,000	\$246,000 to \$306,000	\$329.70	\$31.50 + your plan premium
\$153,000 to \$183,000	\$306,000 to \$366,000	\$428.60	\$50.70 + your plan premium
\$183,000 and under \$500,000	\$366,000 and under \$750,000	\$527.50	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$560.60	\$76.40 + your plan premium

Thank you!



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