

# Tax Update

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# About me...

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- 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.



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# Taxes

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

# Federal Gift & Estate Taxes

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**2023**

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Annual Gift Tax  
Exclusion \$17,000

Estate Exemption \$12,920,000

Estate Tax Rate  
(highest) 40%

# Property Taxes in California

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- 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

# Income Taxes

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- Income
- Deductions
- Other Taxes
- SECURE Act 2.0 (2022)



# Ordinary Income vs. Capital Gains

## Ordinary Income

- *Wages*
- *Interest and Non-qualified Dividends\**
- *Social Security*
- *Pension*
- *IRA Distributions*
- *Rental and Royalty Income\**
- *Gain on sale of asset owned < 1 year\**
- *Gain on sale of annuities*

## Capital Gains

- *Qualified Dividends\**
- *Gain on sale of asset owned > 1 year\**

### 2023 Taxable Income

### 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 +

### 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 +

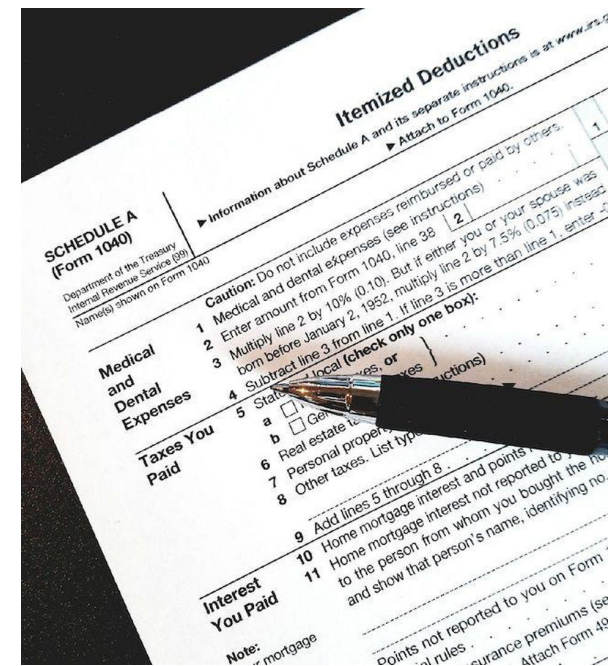
# Standard or Itemized Deductions?

## Standard Deduction

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

## Itemized Deductions

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





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# Other Income Taxes

- 3.8% Net Investment Income Tax
- 1% - 13.3% California State Income Tax

# 2023 Medicare - IRMAA

Single	Married Filing Jointly	Married Filing Separately	Part B Premium	Part D IRMAA
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90	\$0 + your plan premium
\$97,000 to \$123,000	\$194,000 to \$246,000	N/A	\$230.80	\$12.20 + your plan premium
\$123,000 to \$153,000	\$246,000 to \$306,000	N/A	\$329.70	\$31.50 + your plan premium
\$153,000 to \$183,000	\$306,000 to \$366,000	N/A	\$428.60	\$50.70 + your plan premium
\$183,000 and under \$500,000	\$366,000 and under \$750,000	\$97,000 and under \$403,000	\$527.50	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$403,000 and above	\$560.60	\$76.40 + your plan premium

# Thank you!

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