

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

Taxes

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

Federal Gift & Estate Taxes

2024

Annual Gift Tax
Exclusion \$ 18,000

Estate Exemption \$ 13,610,000

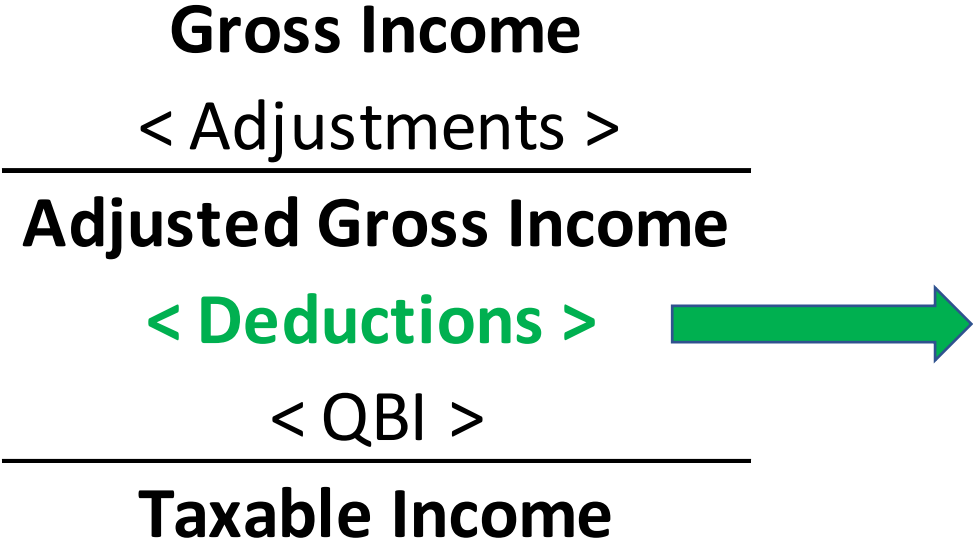
Estate Tax Rate
(Highest) 40%



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?



2024 Deductions - Greater of:

Standard Deduction

- Single \$14,600 + \$1,950 over age 65
- MFJ \$29,200 + \$1,550/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 - \$11,600	\$0 - \$23,200
12%	\$11,601 - \$47,150	\$23,201 - \$94,300
22%	\$47,151 - \$100,525	\$94,301 - \$201,050
24%	\$100,526 - \$191,950	\$201,051 - \$383,900
32%	\$191,951 - \$243,725	\$383,901 - \$487,450
35%	\$243,726 - \$609,350	\$487,451 - \$731,200
37%	\$609,351 +	\$731,201 +

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 - \$47,025	\$0 - \$94,050
15%	\$47,026 - \$518,900	\$94,051 - \$583,750
20%	\$518,901 +	\$583,751 +

Examples:

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

Also, 3.8% Net Investment Income Tax

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

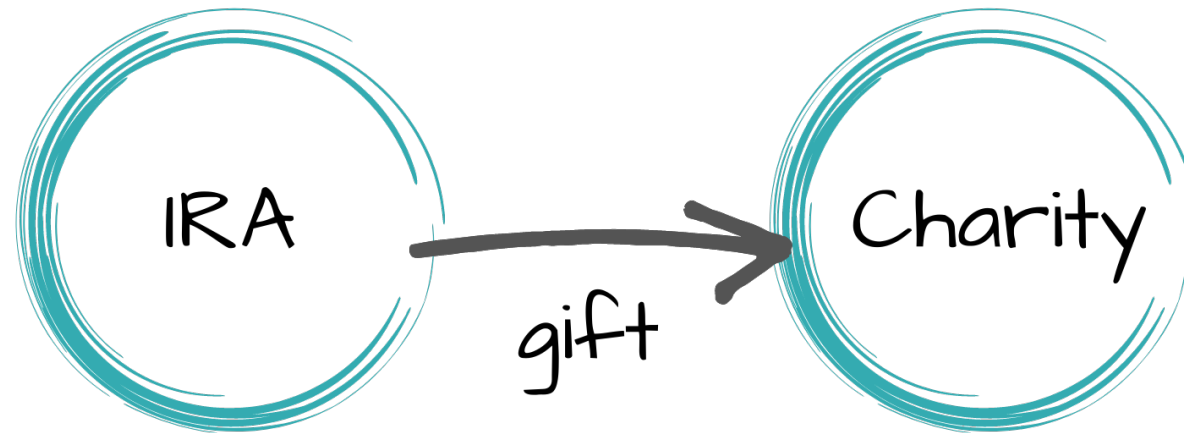
Required Minimum Distributions (RMD)

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 **\$105,000** directly from your IRA instead of taking your Required Minimum Distribution (RMD)



2024 Medicare

Income Related Monthly Adjustment Amounts (IRMAA)

Single	Married Filing Jointly	Part B Premium	Part D IRMAA
\$103,000 or less	\$206,000 or less	\$174.70	\$0 + your plan premium
\$103,000 to \$129,000	\$206,000 to \$258,000	\$244.60	\$12.90 + your plan premium
\$129,000 to \$161,000	\$258,000 to \$322,000	\$349.40	\$33.30 + your plan premium
\$161,000 to \$193,000	\$322,000 to \$386,000	\$454.20	\$53.80 + your plan premium
\$193,000 and under \$500,000	\$386,000 and under \$750,000	\$559.00	\$74.20 + your plan premium
\$500,000 or above	\$750,000 and above	\$594.00	\$81.00 + your plan premium



Thank you!



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