



# It's Your Money!

## *Tax Update*

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# About me...

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- I'm a CPA/PFS, CFP® Wealth Advisor.
- 22 years of experience in tax, estate, and financial planning.
- Prior to co-founding marrick wealth in 2012, I worked at a Fee-Only RIA.
- I work with families with investment portfolios of \$2 million - \$20 million.
- I have two kids who love to ice skate. I watch a lot of tv, play dad league softball, and golf.



# 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
- Updates & Changes
- Planning Considerations

# Federal Gift & Estate Taxes

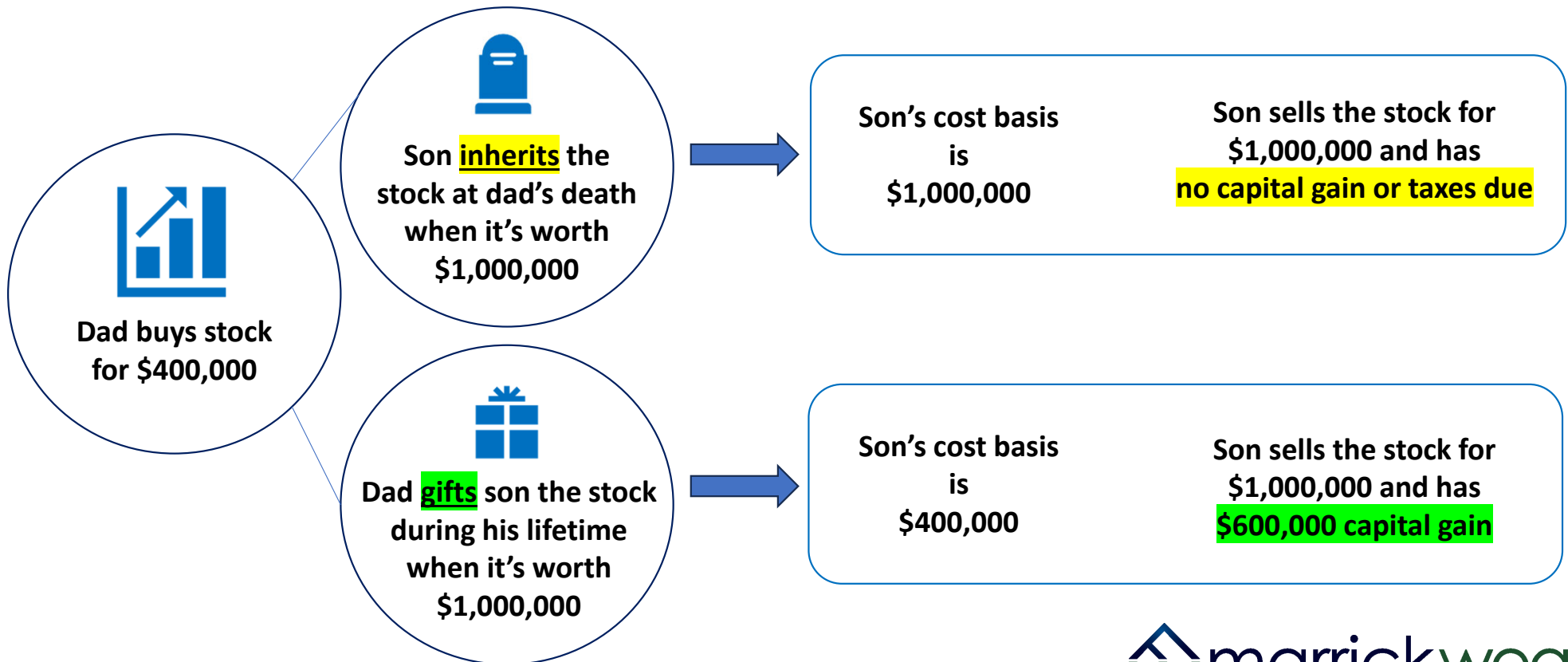
2025

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Annual Gift Exclusion	\$19,000
Estate Exemption	\$13,990,000
Estate tax rate (Highest)	40%

# “Step-Up” in Cost Basis

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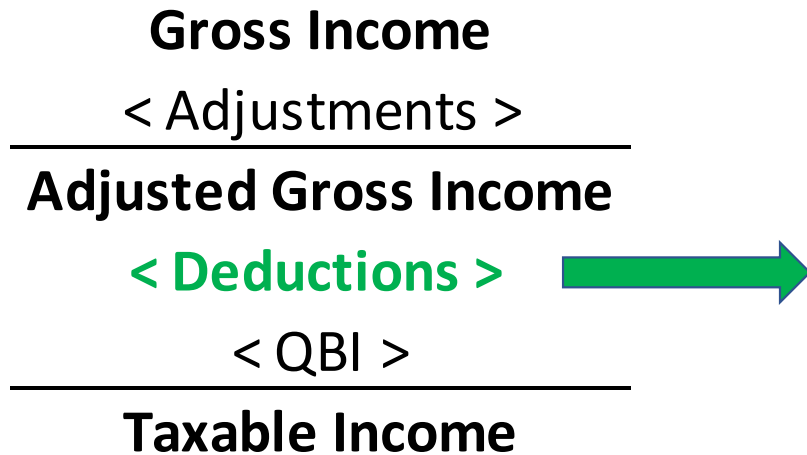
# Property Taxes in California

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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

# What Is Your Tax Bracket?

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## 2025 Deductions - Greater of:

### Standard Deduction

- Single \$15,000 + \$2,000 over age 65
- MFJ \$30,000 + \$1,600/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 - \$11,925	\$0 - \$23,850
12%	\$11,926 - \$48,475	\$23,851 - \$96,950
22%	\$48,476 - \$103,350	\$96,951 - \$206,700
24%	\$103,351 - \$197,300	\$206,701 - \$394,600
32%	\$197,301 - \$250,525	\$394,601 - \$501,050
35%	\$250,526 - \$626,350	\$501,051 - \$751,600
37%	\$626,351 +	\$751,601 +

## 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 - \$48,350	\$0 - \$96,700
15%	\$48,351 - \$533,400	\$96,701 - \$600,050
20%	\$533,401 +	\$600,051 +

## 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)

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

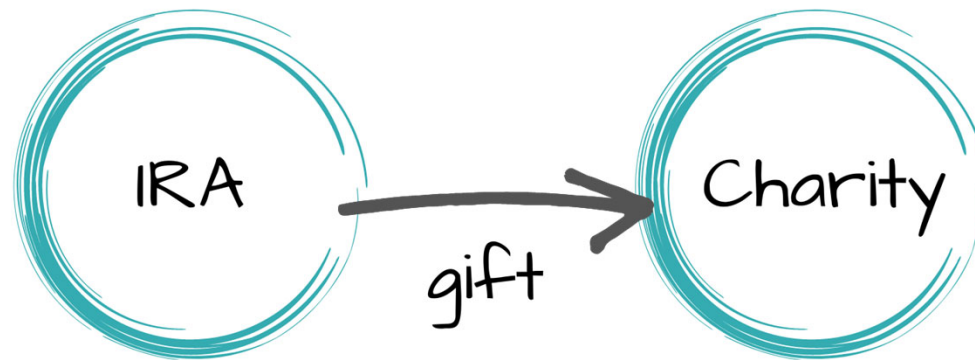
Birthdate	RMD Age
Before July 1, 1949	70.5
July 1, 1949 - 1950	72
<b>1951 – 1959</b>	<b>73</b>
<b>1960 or later</b>	<b>75</b>



# Qualified Charitable Distribution (QCD)

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



Donate up to **\$108,000** (and up to \$53,000 to a life income plan) directly from your IRA instead of taking your Required Minimum Distribution (RMD).

# 2025 Medicare

## Income Related Monthly Adjustment Amounts (IRMAA)

Single	Married Filing Jointly	Part B Premium	Part D IRMAA
\$106,000 or less	\$212,000 or less	\$185	\$0 + your plan premium
\$106,000 to \$133,000	\$212,000 to \$266,000	\$2459	\$74 + your plan premium
\$133,000 to \$167,000	\$266,000 to \$334,000	\$370	\$185 + your plan premium
\$167,000 to \$200,000	\$334,000 to \$400,000	\$480.90	\$295.90 + your plan premium
\$200,000 and under \$500,000	\$400,000 and under \$750,000	\$591.90	\$406.90 + your plan premium
\$500,000 or above	\$750,000 and above	\$528.90	\$443.90 + your plan premium



# What's Coming in 2026?

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Rumors we're hearing related to Federal income taxes...

- Extending current tax brackets
- Reduction of corporate tax rates to 20% or 15% (if manufacture in the US)
- Eliminate taxes on Social Security benefits, overtime, tips
- Repeal or rise \$10,000 cap on state and local tax (SALT) deduction
- Eliminating mortgage interest deduction or reducing deduction cap on loan principal to \$500k
- Auto loan interest deductions
- Exempt individuals earning less than \$150k from taxes

# Thank you!



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