

# **FINANCIAL FORECASTS, INC.**

tax preparation & planning

January 2023

## **“EASY COME, EASY GO!”**

Inflation is not a new phenomenon, it has been primarily on the positive side, hiding in stock market and housing values for the last 20 years. This was a boom time for assets with everyone in the game cheering the growth of assets. Now negative inflation is moving to everyday items or consumables. Interest rates were held at very low levels that over stimulated the economy and allowed people to borrow to extremes. People are now stuck with maximum debt, rising interest rates and falling stock values. Too much debt and less income to handle current levels and no ability to push the debt down the road in the near term. Stay in the middle of the road with investments, no fancy stuff. It is going to be a bumpy ride!

## **BELIEVE IN TAX FUNDAMENTALS**

1. Always seek the lowest Adjusted Gross Income (AGI) on your tax return.
2. Best employment is a career, not a job. Everyone should invest in continuing education for life.
3. Always maximum contributions to deductible retirement with employer, review choices annually
4. No ROTH contributions in 401K or 403B (see #3) you want tax benefit up front, you control.
5. Patience in housing purchase, condo less attractive, reach for single family dwelling
6. Buy houses when interest rates are high (not now market in limbo high prices, high interest)
7. No IRA contributions if you are maxing out employer plan, accumulate current investment
8. Itemize deductions vs Standard deduction, embrace one (age 70.5 charity IRA-QCD)
9. Recordkeeping, put in the work, it will pay off
10. Self employment good if you have talent, funding and the right venture.

We have enclosed your 2022 TAX ORGANIZER (fill in format for emailers) and encourage you to pay close attention to personal data, contact information, current dependents (do not allow your kids to file taxes without checking with us first) and the “CHECKLIST”. Please validate all entries (ESPECIALLY ESTIMATED PAYMENTS) and review your current investments to provide us all active account information. We will need forms: W2, 1099’s, 1098, Year End Brokerage statements, K-1’s, rental summary and business details if applicable.

We have a shortened time to process and more information to collect, so file early and please respond quickly to any request for missing information. Be open to extensions as client questions grow the required information is slow. Most brokers to not provide info until after March 15 and often they send amended forms later. We cannot rush these as filing amended returns cost time and more money. We shift to finding those with refunds and owes around April 1.

We appreciate your business and looks forward to helping you achieve financial success. Any questions, call or email us. We have Saturday appointments until February 25, 2023. MASK AND SOCIAL DISTANCING WILL CONTINUE TO BE REQUIRED FOR OFFICE VISITS. KEEP EVERYONE SAFE!

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