

FINANCIAL FORECASTS INC

TAX PREPARATION & PLANNING

JANUARY 2025

ALL QUIET ON THE TAX FRONT

The 2018 TAX CUTS AND JOBS ACT(TCJA) will finish with the end of year 2025. The tax rules will remain the same with slight adjustments for inflation throughout the tax code in its final year. What will come next is up to our elected officials. If you become overwhelmed with anything tax or finance related, remember to include us in the conversation. We see over 1,000 different tax situations each year and they could be relevant to your position. Remember to look for our personal comments to your tax results at the end of your tax letter. Important points to consider; read, learn and react.

GOODHOUSKEEPING!(generally)

- DID you owe money on prior years return? Need to adjust withholdings or pay estimated taxes(tax deposits). Interest rates on penalties are high so if you overpay you get the money back.
- MAKE sure you detail any estimated payments to the correct tax year, we lose a lot of time trying to validate estimated payments. Pay what we suggest or tell us of any changes.
- CORRESPONDENCE with IRS or any State, promptly send us copy to review the situation.
- PAY the least amount of tax each year, max deductible retirement is best. If doing the max \$23K or age 50+ \$30.5K, do not push more into IRA unless it is deductible. Use all stocks. NO ROTH!
- TAX credits, do not be prompted to action with a credit. Negotiation is better. Free money, hidden pricing with vendors knowing you are receiving extra money, are you getting a fair price?
- NO refinancing mortgage unless you are reducing the term 30 year refi to 15 year. People are more mobile, you might not stay in residence forever. Limit improvements equal to neighborhood.
- HISTORICALLY, people had owned 4 houses in lifetime, now it shrinks to 3, when buying a home stretch to get all you desire, avoid condos unless 2br, 2ba very convenient with parking + amenities.
- LIFE insurance, use term, limit coverage to allow for accumulation of retirement funds and possible reorganization for survivors. Auto/Home, review coverage and get quotes for others comparison.
- DID you change your bank account during the year, make sure we have correct routing number and account number for direct deposit.

Enclosed is your 2024TAX 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). Pay special attention to “CHECKLIST”. Please validate all entries (ESPECIALLY ESTIMATED TAX PAYMENTS DATES AND AMOUNTS PAID) 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 income and expense details if applicable. Any questions call or email us. We appreciate your business and look forward to helping you achieve financial success.

Barry B. DeMarr, CFP,EA

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Bryan F. DeMarr, EA

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WE WILL HAVE SATURDAY APPOINTMENTS UNTIL MARCH 1st