

HOW DOES THIS TYPE OF INCOME GET TAXED?	TYPE OF TAXATION					
	Federal Tax (ordinary income)	Federal Tax (LTCG rates)	State Tax (if applicable)	Potential 3.8% NIIT	Early/Non-Qualified Withdrawal Penalty	AGI Sensitivity
TAXABLE ACCOUNTS						
LTCGs		+	+	+		+
STCGs	+		+	+		+
Ordinary Dividends	+		+	+		+
Qualified Dividends		+	+	+		+
Interest	+		+	+	+ <sup>1</sup>	+
Municipal Bonds			Same state: No Different state: Yes			
Treasury Securities	+			+	+ <sup>1</sup>	+
ROTH RETIREMENT ACCOUNTS						
Qualified Withdrawals or Basis <sup>2</sup>						
Non-Qualified Withdrawals (of earnings)	+		+		Pre-59.5: 10% <sup>3</sup>	+
TRADITIONAL RETIREMENT ACCOUNTS						
Qualified Withdrawals	+		+			+
Non-Qualified Withdrawals	+		+		Pre-59.5: 10% <sup>3</sup>	+
NON-QUALIFIED ANNUITIES						
Withdrawals Consisting of Gains <sup>4</sup>	+		+	+	Pre-59.5: 10% <sup>3</sup>	+

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	HEALTH SAVINGS ACCOUNTS (HSAs)					
Qualified Withdrawals						
Non-Qualified Withdrawals	+		+		Pre-65: 20% <sup>3</sup>	+
	529 ACCOUNTS					
Qualified Withdrawals						
Non-Qualified Withdrawals (of earnings)	+		+		10% <sup>3</sup>	+
	LIFE INSURANCE CASH VALUE					
Policy Loans <sup>5</sup>						
Policy Withdrawals/Dividends (basis) <sup>5</sup>						
Policy Withdrawals/Dividends (gains) <sup>5</sup>	+		+			+
	RENTAL PROPERTY					
Rental Income	+		+	+		+

<sup>1</sup>Certain interest-bearing accounts (e.g., CDs) and treasury securities (e.g., I Bonds and EE Bonds) may be subject to an interest-forfeiture penalty (not a tax penalty) if withdrawn early.<sup>2</sup>Except for basis attributable to conversion principal withdrawn within five years.<sup>3</sup>Depending on the circumstances and the type of account you are pulling from, certain early withdrawals may be exempt from additional penalties.<sup>4</sup>Annuities are generally taxed on a LIFO basis. However, some annuities are taxed on a pro-rata basis via annuitization.<sup>5</sup>If the policy is a MEC, it is taxed on a LIFO basis. Policy loans from a MEC are fully taxable (but increase basis), and distributions/loans taken prior to age 59.5 are subject to a 10% penalty.<sup>6</sup>Unless derived from a trade or business.

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