



Avoid a Big Tax Bill: 8 Ways to Plan Ahead

Tax planning is more than just filing your return—it's about making strategic moves to lower your taxable income and keep more of your wealth. By using a combination of these “above-the-line” and “below-the-line” tax strategies, you can help reduce your tax liability while remaining compliant with IRS rules.

Above-the-Line Deductions

These reduce your adjusted gross income (AGI), lowering your overall tax bracket and making you eligible for other tax benefits. These deductions are available whether you itemize or take the standard deduction.



Maximize Retirement Contributions

Contribute to tax-deferred accounts like 401(k)s, traditional IRAs, or Simplified Employee Pension (SEP) IRAs to lower taxable income.



Health Savings Account (HSA) Contributions

If you have a high-deductible health plan, contribute to an HSA. These are tax-deductible, grow tax-free, and can be withdrawn tax-free for qualified medical expenses.



Make Qualified Charitable Distributions (QCDs)

If you are 70 ½ or older, you can donate up to \$108,000 annually from an IRA directly to a charity, avoiding taxable income while satisfying required minimum distributions (RMDs).



Make Business or Self-Employment Deductions

If you have a small business or consulting income, deduct eligible expenses like your home office, professional fees, and health insurance premiums.

Below-the-Line Deductions

These come after your adjusted gross income and are itemized on Schedule A. To benefit, your total deductions must exceed the standard deduction.



Strategic Charitable Giving

Consider donor-advised funds (DAFs) to “bunch” charitable contributions into a single tax year, maximizing your deductions while maintaining your long-term giving strategies.



Mortgage Interest Deduction

You can deduct interest on loans up to \$750,000 for primary and secondary residences if you have a mortgage.



State and Local Tax (SALT) Deduction

You can deduct up to \$40,000 in property taxes, state income taxes, or sales taxes. This deduction is reduced for higher-income taxpayers.



Medical Expenses

If your unreimbursed medical expenses exceed 7.5% of your AGI, you can deduct qualified expenses like long-term care premiums and out-of-pocket medical costs.

We're here to help.

A Marquis Wealth Group financial advisor can help you decide which tax moves make the most sense for you now. [Schedule](#) a no-obligation consultation today.

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