**Ghostwritten Article |   
Tax Planning Strategies – LPL**

*Must be used with your Advertising Review Team approved letterhead or email signature.*

LPL Compliance Approval # 525829

The attached has been given an 'Approved As Is' status by the Advertising Review Team. Advisors who are interested in using and/or customizing pre-approved materials should ensure an understanding of the **Pre-Approved Communications** section of the **Advisor Compliance Manual** posted on ClientWorks. This section of the compliance manual includes instructions on how to use pre-approved materials and meet the necessary Books and Records requirements.

**Tax Planning Strategies**

**3 Tax Planning Strategies You Can Still Implement Before Filing Taxes**

There’s no shortage of hilarious social media posts about tax season. Some of our top favorite include:1

“Every year I debate whether it would be easier to file my taxes or to abandon my life and live off the grid in the wilderness,” writes Jaik Olson.

Or the classic, “‘You’re almost 22, you should have learned about taxes in high school.’ First of all, the mitochondria are the powerhouse of the cell.”

But don’t fret. While your high-school education may have been subpar when it comes to learning how to file taxes and do tax planning, there’s no need to go off the grid. We’ve got you covered.

And while you might be tempted to think that since 2023 is over, you may have missed the boat in planning for this tax season. But that’s not the case! Here are some ways you can still finish tax planning with a bang – plus get a head start on planning for your 2024 taxes.

**Determine Whether You’ll Take the Standard Deduction or Itemize**

The Tax Cuts and Jobs Act nearly doubled the standard deduction for all tax brackets. And since the TCJA went into effect, fewer people have itemized deductions.2 But perhaps your itemized deductions total more than the standard deduction, which for this 2023 tax year are $13,850 for single filers and $27,700 for married couples filing jointly. And Kiplinger reports that if you’re at least 65 years old or legally blind, you can tack on an additional $1,850 to that amount.2

Choosing whether to take the standard deduction or itemize is foundational to the rest of the tips. And it will determine whether you can deduct various things like educational expenses, charitable donations, medical expenses, mortgage interest and property taxes.

*Planning tip for 2024 taxes:* Determine whether you’ll itemize or take the standard deduction for your 2024 taxes, note that the 2024 standard deduction is $14,600 for single filers; and $29,200 for married couples filing jointly.

**Make Contributions to Your Retirement Accounts**

One great way to lower your tax bill is to contribute to maximum amounts allowed to both your retirement accounts – like your 401(k), 403(b), and most 457 plans, or your IRA – and your Health Savings Accounts (HSAs) before the tax filing deadline (April 15, 2024) if you haven’t done so already.

For 2023, the contribution limit for a 401(k) plan is $22,500 and $6,500 for IRAs. For HSAs, the total maximum contribution for 2023 is $3,850 for self coverage and $7,750 for family coverage. Note that you can only contribute to an HSA if you’re enrolled in an HSA-eligible health plan.

These contributions are tax-deductible and can lower your taxable income for the year. The more you contribute, the more you can save on taxes. If you're over 50, you can also make catch-up contributions to these accounts, which can further reduce your tax bill. Besides the tax benefit, it’s always a plus to boost your retirement savings!

*Planning tip for 2024 taxes:* Contribution limits for 401(k) plans for 2024 will be $23,000.For HSAs, the total maximum contribution for 2024 will be $4,150 for self coverage, and $8,300 for family coverage. Setting up pre-tax contributions to your retirement accounts can lower your taxable income.

**Get All Your Tax Documents Organized**

Getting organized – in any realm – is always easier said than done. But at least, start organizing all your tax documents that have been rolling into your mailbox. Also, have last year’s tax return handy, in addition to any receipts you might need. NerdWallet notes you will need the following items:

* Last year’s tax returns
* Social Security or tax ID numbers
* Bank account numbers
* W-2 forms
* 1099 forms

Plus, if you are itemizing, you’ll need documentation for all the things you are deducting, from your charitable contributions to your educational expenses.

*Planning tip for 2024 taxes:* Start organizing your files for 2024 now. Take that checklist and use it to start gearing up for the 2024 tax season.

**Give Us a Call**

These are only a few general strategies you can implement and there might be many others you can employ based on your unique situation. So give us a call! We can help you evaluate your tax situation, make recommendations for tax-saving strategies based on your circumstances, and ensure that you're taking advantage of all the tax credits and deductions available to you. Plus, we can proactively start planning for next year!

Sources

1. <https://www.buzzfeed.com/meganeliscomb/tax-tweets-for-the-2020-season>

2. <https://finance.yahoo.com/news/trump-era-tax-cuts-set-160750197.html>

3. <https://www.kiplinger.com/taxes/tax-deductions/602223/standard-deduction>

4. <https://www.nerdwallet.com/article/taxes/tax-prep-checklist>

Securities offered through “Your B/D Name Here”, Member FINRA/SIPC.

This material was prepared by Carson Coaching. Carson Coaching is not affiliated with the named broker/dealer or firm.