

MOULTON WEALTH MANAGEMENT INC. ***MOULTON HOT MINUTES***

SPECIALIZING IN RETIREMENT AND TAX PLANNING

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December 2023

We hope everyone has a Merry Christmas and Happy New Year.

With year-end comes some important tax deadlines along with considerations into 2024.

- If you want to do a Roth conversion for 2023, it has to be completed before year end. Unlike IRA and Roth contributions, the deadline doesn't stretch until your tax filing date.
- If you're 73 years old or older this year, you have to take a Required Minimum Distribution (RMD) from any qualified accounts (i.e., IRA, SEP IRA, 401k, 403b) with few exceptions. If you're unsure whether you qualify for an exception, call our office.
- Most tax payers don't itemize due to the high standard deduction limits. As such you receive no tax benefit for charitable contributions. If you are 70-1/2 years old, or older, there may be a better way to give to charity. Consider a Qualified Charitable Distribution (QCD) from your IRA. The charitable payment is sent directly from your custodian to the charity, and neither you nor the charity is taxed. Also, if you are taking RMDs, it counts as part or all of it, even though you are not taxed. It's very important that you track these QCDs, and inform your tax preparer. They are not noted on your custodian's 1099, so if you don't tell

your preparer, they likely will be missed and you'll be taxed. This has to be completed by year end to count for 2023.

- If you still have earned income, consider making IRA and/or Roth IRA contributions. The limits increased in 2023 to \$6,500, plus a catchup of \$1,000 for those aged 50 or older, for a total of \$7,500. These can be made up to the time you file your taxes.
- Consider harvesting gains and losses in your non-qualified investment accounts. Non-qualified simply means not tax deferred (IRA or 401k) or tax free (Roth). With losses, you can offset any gains recognized, and take an additional \$3,000 against ordinary income.

Long term gains may possibly be realized with no tax impact. Remember, there may be an

2023 Long-term Capital Gains Rate	Single Taxpayers	Married Filing Jointly	Head of Household
0%	Up to \$44,625	Up to \$89,250	Up to \$59,750
15%	\$44,625 – \$492,300	\$89,250 - \$553,850	\$59,750 - \$523,050
20%	Over \$492,300	Over \$553,850	Over \$523,050

Source: irs.gov

additional 3.8% surtax on net investment income, if your modified adjusted gross income exceeds

\$200,000 for single filers, and \$250,000 for joint.

- Don't forget this caveat for recognizing losses. If you sell something with a loss, you have to wait 31 days before buying it back to claim it on your tax return. If you buy it back before the 31 days have expired, it will be treated as a "wash sale", and you'll lose the deduction. You will also lose it if you purchased the same security 31 days

prior to the sale. Having said that, you can buy a similar security, such as a different position in the same sector.

- If you're considering helping someone with a gift, do it before year end to count for 2023. We are all allowed to give up to \$17,000, tax free, to each donee. Doing so does not reduce our lifetime exemption. As such, you could give \$17,000 to a child and another \$17,000 to his or her spouse. Or each you and your spouse could each give \$17,000 to a child, or anyone you wish. You do not get a tax deduction, as you're not giving to a charity, but you do avoid the gift tax.

- If you wish to help someone with medical or education expenses, the limits don't apply assuming you pay directly to the provider. The medical expenses have to meet the definition of deductible expenses. And qualified education expenses can include tuition, books, fees and related expenses, but not room and board. For more information you can refer to IRS Publication 950 at www.irs.gov.

- Remember that starting in 2026, your taxes will increase. When President Trump cut taxes, it came with a caveat – it was a temporary cut. The cuts expire after the 2025 tax filing year. As such, in 2026 rates will generally rise, and brackets will generally decline. This means you

could find yourself in a higher bracket, with the same income levels. This is one of the reasons

we think it's important to plan ahead. If, for example, you want to convert some of your IRA to a Roth IRA, it will be cheaper now than in 2026 and beyond, all else being equal. The table shows the current bracket, vs the approximate brackets scheduled for

Married Filing Jointly 2023 Tax Brackets		Married Filing Jointly 2017 Brackets*	
Taxable Income	Tax Bracket	Taxable Income	Tax Bracket
\$0 - \$22,000	10%	\$0 - \$18,650	10%
\$22,001 - \$89,450	12%	\$18,651 - \$75,900	15%
\$89,451 - \$190,750	22%	\$75,901 - \$153,100	25%
\$190,751 - \$364,200	24%	\$153,101 - \$233,350	28%
\$364,201 - \$462,500	32%	\$233,351 - \$416,700	33%
\$462,501 - \$693,750	35%	\$416,701 - \$470,700	35%
\$693,751 +	37%	\$470,701 +	39.6%
*To be adjusted for inflation in 2026.			

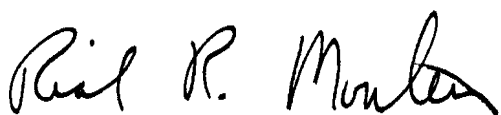
2026 (2017 brackets, but they will be adjusted for inflation).

Planning is important for your taxes, but also in protecting your investments. We continue to see the macro (big picture economic) data deteriorate. Eventually the market will notice.

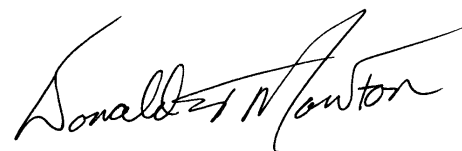
It's not too late to protect yourself.

What is your defensive plan? Attend a free seminar or call the office to hear about ours.

Yours truly,



Rial R. Moulton, CFP®, CPA / PFS, RFC
Certified Financial Planner™ professional



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P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please ask them to send an email with their information and permission to be added.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. Yahoo! Finance is the source for any reference to the performance of an index between two specific periods. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Investments in securities do not offer a fixed rate of return. Principal, yield and/or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. No system or financial planning strategy can guarantee future results. Consult your financial professional before making any investment decision. You cannot invest directly in an index.

Time for year end tax considerations. Some thoughts.

Weekly Radio Show Saturday Morning:

8:00 AM KXLY 920 AM
Spokane and Area

9:30 AM KFLD 870 AM
Tri-Cities and Area

Moultonwealth.com

SPOKANE

Call for January 2024 or for
a meeting sooner

TRI-CITIES

Call for January 2024 or for
a meeting sooner.

- ◇ How employing and consistently following a defensive system could help you to a better retirement.
- ◇ The Secure Act tax law change could alter how you leave your retirement accounts!
- ◇ What happens when an economic downturn makes it difficult for companies to pay back their massive debt?
- ◇ Why Buy and Hold Investing was right for the 80's and 90's yet very wrong for today.
- ◇ Will inflation eat up your assets?
- ◇ How to potentially decrease taxes on your hard earned Social Security Income
- ◇ To Roth or not to Roth?

And so much more!

COMPLIMENTARY SEMINAR

For those 50 years old and older

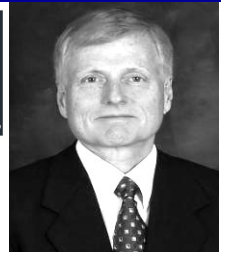


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Call to reserve a spot: 509-922-3110

Advisory services through Moulton Wealth Management, Inc., an independent Registered Investment Advisor registered with the SEC



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Call for assistance:
509-922-3110

Year End Taxes

Some year end tax considerations.

Spokane

**Call for
January
2024**

Details Inside

*No Cost
Seminars for
Retirees and
those close to
Retirement*

Richland

**Call for
January
2024**

Details Inside