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2019 TAX REPORT FOR JOHN & JANE SAMPLE

KEY FIGURES

Total Income:	\$195,417	Filing Status:	Married Filing Jointly	Tax Exempt Interest:	\$0
AGI:	\$195,417	Marginal Rate:	24.0%	Qualified/Ordinary Dividends:	\$0 / \$0
Deductions:	\$24,400	Average Rate:	13.8%	ST/LT Capital Gains:	\$0 / \$0
Taxable Income:	\$171,017	2020 Safe Harbor:	\$29,583	Carryforward Loss:	\$0
Total Tax:	\$26,893			Credits Claimed:	\$2,500

OBSERVATIONS

You are in the 24.0% marginal bracket. Depending on your age and income projections, you might consider a Roth conversion.

Your tax return indicates an overpayment of estimated taxes and/or withholding. A tax refund is in essence the government paying back an interest free loan you made to them over the course of the year. Consider discussing with a tax professional, as you may be able to keep more of your capital during the course of the year by adjusting withholding and estimated taxes.

Your Modified Adjusted Gross Income (MAGI) suggests you are eligible to contribute to a Roth IRA. Note that Roth contributions must come from what the IRS called "compensation income". The tax return does include some compensation income.

The safe harbor for underpayment penalties is your total tax x 110%, or \$29,583.00. Note that the timing of your payments is also important with respect to avoiding penalties. Withholding from a paycheck or retirement account distributions is considered to have happened throughout the year, but estimated tax payments should be timed to correspond with the timing of the income earned. A tax professional should be able to help in cases where income is uneven throughout the year.

Your tax return does not list any HSA contributions. If you are eligible to contribute to an HSA, you will get a tax deduction, regardless of whether you itemize or take the standard deduction.

MASSACHUSETTS STATE TAX HINTS

Foreign earned income is NOT excluded for MA state tax purposes

Social security benefits not taxed

IRA contributions not deductible, IRA distributions up to MA after tax basis not taxed

50% of rent is deductible up \$3,000 (\$1,500 MFS)

In-state 529 contribution deductions - \$1,000 single, \$2,000 MFJ

State pension income is not taxable in MA

Clear View Wealth Advisors, LLC
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MARGINAL TAX BRACKET INFORMATION

The marginal tax rate for your *ordinary income* is as follows:

Marginal Rate	Ordinary Income Threshold	
10.0%	\$0 to \$19,400	
12.0%	\$19,400 to \$78,950	
22.0%	\$78,950 to \$168,400	
24.0%	\$168,400 to \$321,450	You: \$171,017
32.0%	\$321,450 to \$408,200	
35.0%	\$408,200 to \$612,350	
37.0%	\$612,350 and above.	

The marginal tax rate for your *capital gains and qualified dividends income* is as follows:

Marginal Rate	Taxable Income Threshold	Qualified Income (\$0 Total)	
0.0%	\$0	\$0	
15.0%	\$78,750	You: \$171,017	\$0
20.0%	\$488,850		\$0

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MODIFIED ADJUSTED GROSS INCOME TIERS

Planning Opportunity	Limits	Over/Under?
Net Investment Income Tax	\$250,000	Under
Coverdell ESA	\$190,000 - \$220,000	In Phaseout
Roth IRA Contribution	\$193,000 - \$203,000	In Phaseout
Lifetime Learning Credit	\$116,000 - \$136,000	Over
Student Loan Interest Deduction	\$140,000 - \$170,000	Over
American Opportunity Credit	\$160,000 - \$180,000	Over
Child Tax Credit	\$400,000 - \$440,000	Under
Qualified Adoption Expenses Credit	\$207,140 - \$247,140	Under
Saver's Credit	\$38,500 - \$64,000	Over
IRA Contribution Deductibility - Covered Spouse	\$103,000 - \$123,000	Over
IRA Contribution Deductibility - Non- Covered Spouse	\$193,000 - \$203,000	In Phaseout

* NIIT, Saver's Credit MAGI = AGI (Foreign earned income not included)

** Coverdell, Lifetime Learning, American Opportunity, Child Tax Credit MAGI = AGI (Form 2555 foreign income not included.)

*** Roth MAGI = AGI - Roth Conversions + IRA Deduction + Student Loan Interest Deduction + Tuition Deduction (Form 2555 foreign income not included.)

† Student Loan Deduction and Adoption Credit MAGI = AGI + Student Loan Interest Deduction

†† IRA Deduction MAGI = AGI + Student Loan Interest Deduction + Tuition and Fees Deduction + Schedule B Line 3 Interest (Foreign income and employer-provided adoption benefits not included.)

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SCHEDULE D - CAPITAL GAINS/LOSSES

The tax return listed the following sources of capital gains/losses:

SHORT TERM

Description	Amount
Short Term Loss Carryover from 2018	\$0
Short Term Gain/Loss for 2019	\$0
Total Short Term Gain/Loss for 2019	\$0

LONG TERM

Description	Amount
Long Term Loss Carryover from 2018	\$0
Long Term Gain/Loss for 2019	\$0
Total Long Term Gain/Loss for 2019	\$0

TOTAL

Total Gains/Losses for 2019	\$0
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Solve for Max

Ordinary Income

- Next Change in Effective Rate: \$54,500

Long Term Capital Gains

- Next Change in Effective Rate: \$54,500

To generate these figures, the system starts with your scenario as a baseline, then adds \$500 over and over again to find the first instance where the effective tax rate is higher than the tax rate for the baseline scenario. The system runs this analysis for changes in both ordinary income and capital gains.

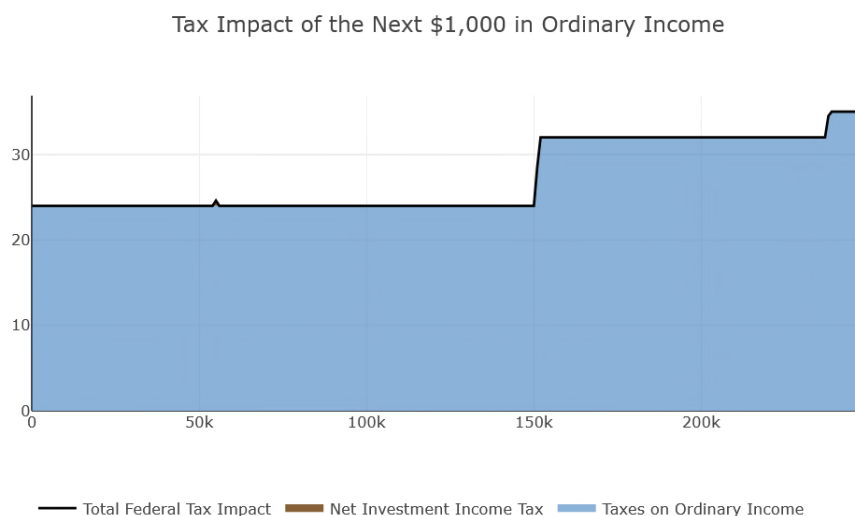
Range Calculator

ORDINARY INCOME

CHANGE BEFORE NEXT JUMP IN FEDERAL TAX: \$54,500

Baseline Taxable Income \$171,017.00

Baseline Ordinary Income \$171,017.00



Income Change	Total Tax	Effective Tax on Next \$1000
\$0	\$26,893	24.0%
\$55,000	\$40,099	24.6%
\$56,000	\$40,339	24.0%
\$151,000	\$63,185	28.5%
\$152,000	\$63,505	32.0%
\$238,000	\$91,049	34.5%
\$239,000	\$91,399	35.0%

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CAPITAL GAINS

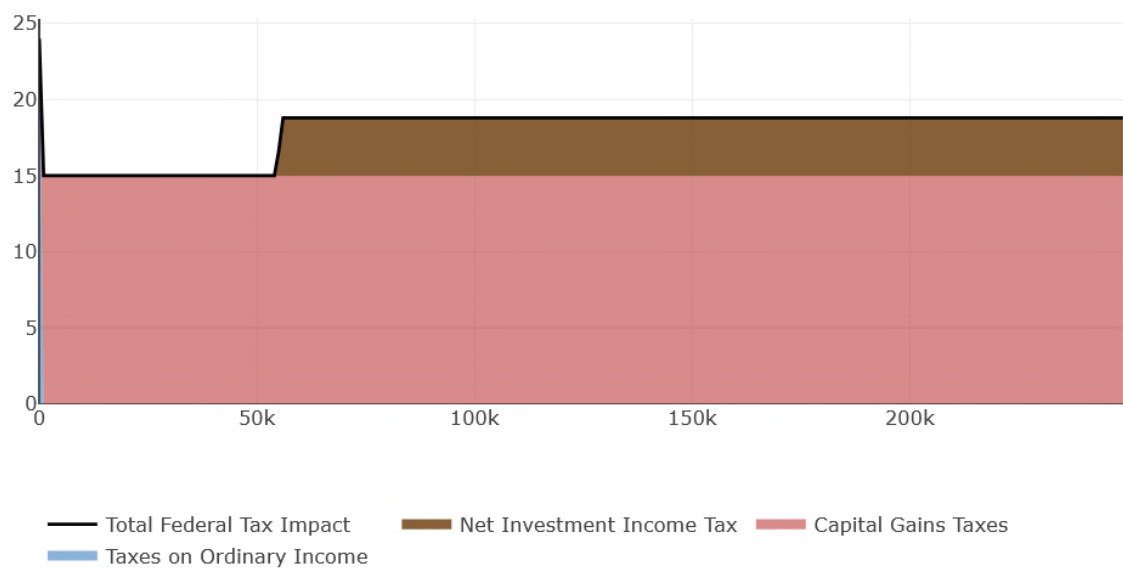
CHANGE BEFORE NEXT JUMP IN FEDERAL TAX: \$54,500

Baseline Taxable Income: \$171,017.00

Baseline LT Capital Gains: \$0.00

Qualified Dividends Assumption: \$0.00

Tax Impact of the Next \$1,000 in Capital Gains



Income Change	Total Tax	Effective Tax on Next \$1000
\$0	\$26,893	24.0%
\$1,000	\$27,043	15.0%
\$55,000	\$35,159	16.6%
\$56,000	\$35,347	18.8%

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