



CLEAR VIEW WEALTH ADVISORS, LLC
Plan Well. Invest Smart. Live Better.

Steven J. Stanganelli, CFP®, CRPC®, AEP®
CERTIFIED FINANCIAL PLANNER™ Professional
CHARTERED RETIREMENT PLANNING COUNSELOR®
ACCREDITED ESTATE PLANNER®
NAPFA-Registered Financial Advisor

SAMPLE Tax Report

KEY FIGURES

- Total Income: \$186,872
- AGI: \$186,872
- Deductions: \$27,000
- Taxable Income: \$159,872
- Total Tax: \$26,889
- Filing Status: Married Filing Jointly
- Marginal Rate: 22.0% ?
- Average Rate: 14.4% ?
- 2020 Safe Harbor: \$29,578 ?
- Tax Exempt Pct. of Total Interest: 0.0%
- Tax Exempt Interest: \$0
- Qualified/Ordinary Dividends: \$0 / \$0
- ST/LT Capital Gains: \$0 / \$0
- Carryforward Loss: \$0 ?

MARGINAL TAX BRACKET INFORMATION ?

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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 You: \$159,872
24.0%	\$168,400 to \$321,450
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: \$159,872	\$0
20.0%	\$488,850	\$0

MEDICARE PART B/D PREMIUMS FOR 2021

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Medicare Parts B and D premiums are impacted by Modified Adjusted Gross Income* (MAGI)

*MAGI = AGI + Tax-Exempt Interest

MAGI Threshold	Part B Premium Adjustment	Part D Premium Adjustment
\$0 to \$174,000	\$0	\$0
\$174,000 to \$218,000	\$58	\$12 You: \$186,872
\$218,000 to \$272,000	\$145	\$32
\$272,000 to \$326,000	\$231	\$51
\$326,000 to \$750,000	\$318	\$70
\$750,000 and above.	\$347	\$76


Clear View Wealth Advisors, LLC
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Meeting Locations:


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OBSERVATIONS


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\$15,911.00, or 85%, of your total Social Security earnings of \$18,719.00 was taxable as ordinary income. Social Security income is excluded from taxes to varying degrees, based on total income from other sources. 


MAGI income (AGI plus tax exempt interest) is high enough to trigger an increase in Medicare Part B and D premiums. Consider strategies (e.g. QCDs, managing capital gains), to lower income to bring medicare down. Alternatively, if income will definitely go down due to a change in status, a petition can be sent to ask for a reduction. 

You are in the 22.0% 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 \$29,578.00. 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. 

Base vs Roth Conversion

INCOME

1040 Income

Wages	\$162,774	\$0
Tax-Exempt Interest	\$0	\$0
Taxable Interest	\$0	\$0
Qualified Dividends	\$0	\$0
Total Dividends (incl. Qualified)	\$0	\$0
Taxable Retirement Distributions	\$0	\$0
Taxable IRA Distributions	\$0	\$44,000
Taxable Pensions and Annuities	\$8,187	\$22,685
Roth Conversion	\$0	\$200,000
Social Security	\$18,719	\$18,959
Taxable Social Security	\$15,911	\$16,115
Schedule D Income		
Short Term Capital Gains	\$0	\$0
Long Term Capital Gains	\$0	\$0
Total Capital Gains	\$0	\$0
Gains Taxed at 28%	\$0	\$0
Section 1250 Gain	\$0	\$0
Schedule 1 Income		
Taxable Refund	\$0	\$0
Alimony Received	\$0	\$0
Schedule C Income	\$0	\$0

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Taxable Income	\$159,872	\$255,400
Tax Credits	\$0	\$0
Total Tax	\$26,889	\$49,455
Marginal Bracket	22%	24%
Marginal Percent on Next \$1,000 Ordinary Income	22%	24%
Marginal Percent on Next \$1,000 Capital Gains	15%	19%

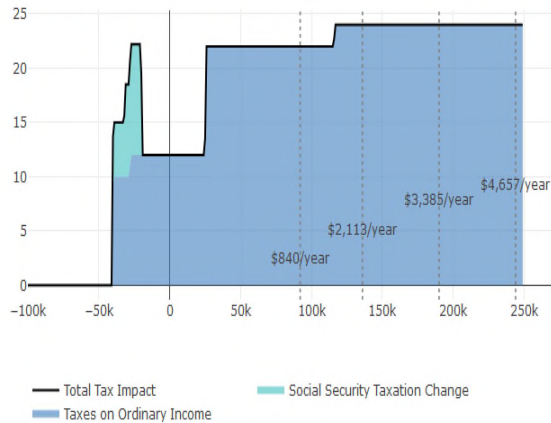
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Range Calculator

ORDINARY INCOME

ROOM IN CURRENT BRACKET: \$24,000

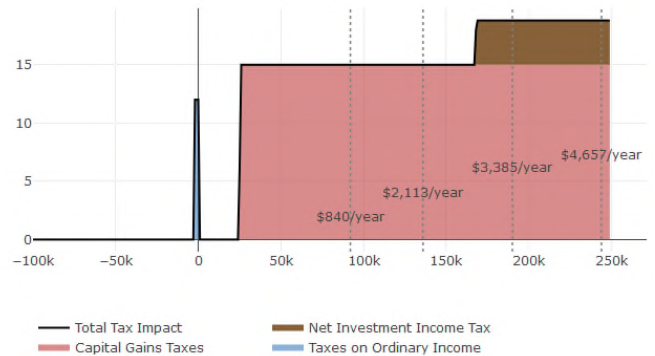
Marginal Tax Impact of Incremental Ordinary Income
(Dotted Lines = Medicare Part B/D Annual Increases Per Person)



CAPITAL GAINS

ROOM IN CURRENT BRACKET: \$24,000

Marginal Tax Impact of Incremental Capital Gains Income
(Dotted Lines = Medicare Part B/D Annual Increases Per Person)



Solve for Max

- Ordinary Income Max: \$71,000
- Next Medicare Premium Break Point: \$43,000
- Capital Gains Max: \$241,000
- Next Medicare Premium Break Point: \$43,000

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