

# SAMPLE 2022 TAX RETURN REVIEW [MARRIED] - COPY BEFORE USING

Name:

## KEY FIGURES



### Refund or Balance Due

Federal: \$3,542 refund

Missouri: \$89 balance due

## FILING STATUS AND DEPENDENTS

Filing Status: Married Filing Jointly

Dependents: Lydia and Hazel

Personal exemptions for dependents were eliminated in the 2018 tax law. However, you may qualify for credits based on your dependents, your income, etc. See details under Credits below.

## INCOME

Type	Amount
Wages	\$130,885
Interest	\$1,864
Dividends	\$1,218
Capital gains	\$2,097
Total income	\$136,064

Kyle's wages were \$27,648 higher than last year, that's great!

Most of the interest was from savings bonds that were cashed in.

The capital gains were from mutual fund distributions. Per your last financial review, any contributions to your joint taxable account should be invested in the Vanguard Tax Managed Balanced fund (VTMFX). This fund is more tax efficient and will help reduce future taxes on your investment income.

## DEDUCTIONS AND TAXABLE INCOME

### Itemized Deductions vs. Standard Deduction:

Deduction	Amount Claimed	Notes
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Deduction	Amount Claimed	Notes
Health care expenses	\$0	
Taxes paid	\$10,000	Actual amount was much higher, current tax law limits this to \$10,000.
Mortgage and interest expense	\$12,765	
Charity	\$480	This is the most flexible deduction, you would need over \$3,135 before you have enough to itemize.
Total	\$23,245	
<i>Standard Deduction</i>	<i>\$25,900</i>	

You took the standard deduction in 2022. The state and local tax deduction was severely limited by the Tax Cuts and Jobs Act of 2017, allowing you to deduct only \$10,000, even though your actual state taxes were much higher. Because of this, most people take the standard deduction. The only deduction that might get you above the standard deduction amount is charitable donations; however, you would need donations to be over \$3,135 before you would have enough to itemize deductions vs. taking the standard deduction.

The standard deduction for married people is \$25,900 for 2022. You would need your taxes, mortgage interest and donations to be more than this amount to itemize.

Taxable income	\$110,162
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## TAXES

### Marginal Tax Rates for Married Taxpayers

Marginal Tax Rate	Ordinary Income Threshold	
10%	\$0 to \$20,550	
12%	\$20,551 to \$83,550	
22%	\$83,551 to \$178,150	You
24%	\$178,151 to \$340,100	
32%	\$340,101 to \$431,900	
35%	\$431,901 to \$647,850	
37%	\$647,851 or more	

You were in the 22% tax bracket for 2022. Your average tax rate, which is the rate you pay after all deductions, credits, etc., was 14%.

Federal tax before credits	\$15,294
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## CREDITS AND PAYMENTS

Credit	Amount
Child tax credit	\$4,000
Childcare credit	\$0

The child tax credit was reduced from \$3,600 per child in 2021 to \$2,000 per child in 2022.

The childcare credit is only available when both spouses work; unfortunately, you weren't able to deduct any of the preschool tuition because of this rule.

Payments	Amount
Withholding from W2	\$14,836
Estimated tax payments	\$1,000

## REFUND OR BALANCE DUE

Federal refund or balance due	\$3,542 refund
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Your federal refund is higher than I recommend. If it gets above \$5,000 consider adjusting your withholding.

## STATE TAXES

Missouri refund or balance due	\$89 balance due
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Interest from US savings bonds is exempt on your state tax return. The total for 2022 was \$1,101.

Contributions to 529 plans are deductible, up to \$16,000 for married couples. Your deduction for 2022 was \$1,570.

## TAX PLANNING

Below are the income phaseouts for popular tax deductions and credits:

Planning Opportunity	Limits	Over/Under
Child Tax Credit	\$400,000	Under
IRA Deduction – Covered	\$109,000 - \$129,000	Over
IRA Deduction – Non-Covered	Any amount	n/a
Roth IRA Contribution	\$204,000 - \$214,000	Under
American Opportunity Credit	\$160,000 - \$180,000	Under
Lifetime Learning Credit	\$160,000 - \$180,000	Under
Student Loan Interest Deduction	\$145,000 - \$175,000	Under
Additional Medicare/Net Investment Tax	\$250,000+	Under

You are well under the income limit for Roth IRA contributions. You are in the 22% tax bracket and could be in a higher tax bracket when you retire. Recommendation: continue making Roth contributions

each year.

## MEDICARE PART B/D PREMIUM ADJUSTMENTS FOR 2023 (BASED ON 2021 INCOME)

MAGI Threshold	Part B Premium Adjustment	Part D Premium Adjustment
\$0 to \$194,000	\$0.00	\$0.00
\$194,001 to \$246,000	\$65.90	\$12.20
\$246,001 to \$306,000	\$164.80	\$31.50
\$306,001 to \$366,000	\$263.70	\$50.70
\$366,001 to \$750,000	\$326.60	\$70.00
\$750,000 and above	\$395.60	\$76.40

Discuss how to reduce IRMAA.

## RECOMMENDATIONS AND TO DO'S

- Contribute the maximum to your 401K. The maximum amount for 2023 is \$22,500.
- Contribute the maximum to your Roth IRAs each year. The maximum amount for 2023 is \$6,500.
- Contribute to 529 plans for the girls. The maximum deduction is \$16,000.
- Contact me when you would like to schedule a financial review.