

[TEMPLATE] 2022 TAX RETURN REVIEW - SINGLE TAXPAYER

Name:

KEY FIGURES



Refund or (balance due)

Federal: (\$548)

State: no state tax

Filing Status: Single

Total Income: \$90,205

AGI: \$90,205

Deductions: \$12,950

Standard Deduction: \$12,950

Taxable Income: \$77,255

Total Tax: \$12,618

Marginal Tax Rate: 22%

Average Tax Rate: 16%

Capital Gain Tax Bracket: 15%

Additional Medicare Tax: \$0

Tax Credits: \$0

TAX BRACKETS

Marginal Tax Rates (Single Taxpayers)

Tax Rate	Taxable income bracket	
10%	\$0 to \$10,275	
12%	\$10,276 to \$41,775	
22%	\$41,776 to \$89,075	You
24%	\$89,076 to \$170,050	
32%	\$170,051 to \$215,950	
35%	\$215,951 to \$539,900	
37%	\$539,901 or more	

You were in the 22% tax bracket for 2022. To reduce your taxable income, take advantage of pre-tax benefits through work, including 401K and HSA plans. The maximum contribution for 401K plans in 2023 is \$22,500 plus \$7,500 for people age 50 and older (note: Doug may be limited due to the highly compensated rule). The maximum HSA contribution for 2023 is

\$7,750 plus \$1,000 for people age 55 and older. For the HSA, you can't do the catchup contribution until Doug is 55 since he is the account holder.

CAPITAL GAINS AND LOSSES

Capital Gain Tax Brackets for 2022

Tax-filing status	0% tax rate	15% tax rate	20% tax rate
Single	\$0 to \$41,675.	\$41,676 to \$459,750.	\$459,751 or more.
Married, filing jointly	\$0 to \$83,350.	\$83,351 to \$517,200.	\$517,201 or more.
Married, filing separately	\$0 to \$41,675.	\$41,676 to \$258,600.	\$258,601 or more.
Head of household	\$0 to \$55,800.	\$55,801 to \$488,500.	\$488,501 or more.

Your Capital Gain/Loss for 2022

Short-term gain/loss for 2022	(\$347)
Long-term gain/loss for 2022	(\$457)
Capital gain distributions	\$0
Total gain/loss for 2022	(\$804)

You are in the highest capital gain tax bracket (20%). To minimize capital gains, ETFs have been recommended for your non-retirement accounts. If the market continues to be down in 2023, you may want to consider doing tax loss harvesting to take advantage of the down market. Consider scheduling a financial or tax review later this year to review this.

MODIFIED ADJUSTED GROSS INCOME (MAGI) TIERS - need to update

Credit and Deduction Phaseouts for Single Taxpayers

Planning Opportunity	Limits	Over/Under
Child Tax Credit	\$200,000	Under
IRA Deduction – Covered	\$68,000 - \$78,000	Over
IRA Deduction – Non-Covered	Any amount	Under
Roth IRA Contribution	\$129,000 - \$144,000	Under
American Opportunity Credit	\$80,000 - \$90,000	Over
Lifetime Learning Credit	\$80,000 - \$90,000	Over
Student Loan Interest Deduction	\$70,000 - \$85,000	Over
Add'l Medicare/Net Investment Tax	\$200,000	Under

You are above the income limits for all of the credits and deductions above. The “backdoor Roth” was not eliminated in the last tax law, which was expected. Continue to do backdoor Roth IRAs each year. The maximum contribution for 2023 is \$6,500 plus \$1,000 for people age 50 and older.

You are above the income level where additional Medicare taxes are levied. Your additional Medicare tax for 2022 was \$7,313. There is nothing you can do to reduce this (other than to earn less); this is just FYI.

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

MAGI Threshold	Part B Premium Adjustment	Part D Premium Adjustment
\$0 to \$97,000	\$0.00	\$0.00
\$97,001 to \$123,000	\$65.90	\$12.20
\$123,001 to \$153,000	\$164.80	\$31.50
\$153,001 to \$183,000	\$263.70	\$50.70
\$183,001 to \$500,000	\$326.60	\$70.00
\$500,000 and above	\$395.60	\$76.40

text

TASKS

- Contribute the maximum to your 401K and HSA, see the amounts above.
- Continue to do the backdoor Roth IRA each year, see the amounts above.
- Consider tax loss harvesting if the market continues to be down in 2023.
- Contact me if you want to review your investments or do a tax review later this year.