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Proactive Year-end Tax Planning for 2024 and Beyond

One of our main goals as holistic financial professionals is to help our clients recognize tax reduction opportunities within their investment portfolios and overall financial planning strategies. Staying current on the ever-changing tax environment is a key component to helping our clients benefit from potential tax reduction strategies.

Other than some IRS inflation adjustments, calendar year 2024 has brought limited changes in tax laws for individuals. This report focuses on information that could be helpful for individuals when tax planning for the calendar year 2024. Since 2025 is a presidential election year and both candidates have discussed tax rule modifications, it is highly likely that changes to both income tax and estate tax rules changes may be proposed. Also, please remember that the Tax Cuts and Jobs Act (TCJA) enacted in 2017 brought many changes to the tax code, including many provisions for individuals that are currently set to expire after 2025. Our goal with this report is to focus on current tax rules, understanding that one of the major uncertainties for all taxpayers is what will happen to the tax code in or after 2025.

As financial professionals, we try to be proactive. The primary objective of this report is to share strategies that could be effective if considered and implemented before year-end. Please note that this report is not a substitute for using us. In addition, many states do not follow the same rules and computations as the federal income tax rules. Make sure you check with us to see what tax rates and rules apply to your state.



Income Tax Rates for 2024

For 2024, there are still seven tax rates. They are 10%, 12%, 22%, 24%, 32%, 35%, and 37%. Under current law, this seven-rate structure will be phased out on January 1, 2026.

Tax Rate	Single	Married/Joint & Widow(er)	Married/Separate	Head of Household
10%	\$0 to \$11,600	\$0 to \$23,200	\$0 to \$11,600	\$0 to \$16,550
12%	\$11,601 to \$47,150	\$23,201 to \$94,300	\$11,601 to \$47,150	\$16,551 to \$63,100
22%	\$47,151 to \$100,525	\$94,301 to \$201,050	\$47,151 to \$100,525	\$63,101 to \$100,500
24%	\$100,526 to \$191,950	\$201,051 to \$383,900	\$100,526 to \$191,950	\$100,501 to \$191,950
32%	\$191,951 to \$243,725	\$383,901 to \$487,450	\$191,951 to \$243,725	\$191,951 to \$243,700
35%	\$243,726 to \$609,350	\$487,451 to \$731,200	\$243,726 to \$365,600	\$243,701 to \$609,350
37%	\$609,351 or more	\$731,201 or more	\$365,601 or more	\$609,350 or more