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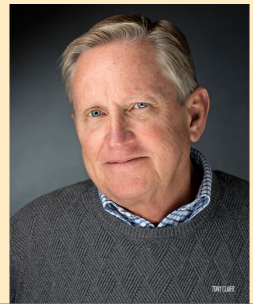
Nagel CPAs, LLC

Accountants & Advisors



News, information, perspectives for households, investors, individuals and retirement minded clients of Nagel CPAs, LLC.

We're Hiring!

We are currently seeking to fill two positions:

*Mid-Level Tax Manager
*Director of Tax Planning and Compliance

Follow the link to our website for complete job descriptions. Please email resumes with a cover letter to rlamar@nagelcpa.us

Now that we are in the eleventh month of 2021 it is once again time to think about year-end tax planning strategies.

While last month's newsletter referred to the "moving target" of proposed legislation in Washington, I delayed publishing this month's newsletter in hopes of solid, dependable information on what to expect.

That was wishful thinking.

While proposed legislation is still in debate, not even to the senate yet, it seems some clouds are lifting.

Single taxpayers with Adjusted Gross income less than $400,000 may not be affected much. That threshold goes to $450,000 for those whose status is Married Filing Jointly.

For the self-employed:

Much like our commercial clients, it is time to reflect on year-to-date income to determine what spending might be helpful for reducing tax by end of year.

Think in terms of bona fide costs that help you run your business better and serve customers more efficiently. Equipment purchases can be "written-off" for tax purposes. New employee benefit programs can be implemented now for future benefits.

If you do not have a qualified retirement plan in place it is time to consider the possibilities. They can be established now and funded next fall.

If you sold property or bought assets during the year, a quick call may be beneficial to determine the current year tax impact.

Long term capital gains:

There are congressional proposals for changing capital gains rates. Some proposals call for retro-active application which may or may not prevail. Nonetheless, market conditions should be the driver. This might be a good year to recognize unrealized asset appreciation in land, building, stocks, etc.

If you are selling an operating business by year end and do not yet have a good idea of the tax consequences, send us the details soon. Don't be that "coulda, woulda, shoulda" taxpayer and get caught off guard with a big tax bill.

Roth Conversions and back door Roth Contributions:

If your taxable income is less than normal and likely to go back up in 2022, consider converting some or all your Traditional IRAs to a Roth. If you are unfamiliar with the differences between the two or want to learn more, just let us know.

If you otherwise do not qualify for a deductible IRA, it is a good time to make a non-deductible IRA and convert it to a Roth. We can help make that happen through our partners at Archer Investment Corporation.

Remember the trick and trap on Child Care payments:

If you failed to have your advanced childcare payments form the IRS cancelled, your refund is likely to be much lower than 2020 (by the amount you already collected in 2021.)

With holidays coming, year-end will soon follow:

If you are curious, or concerned, about where you stand with respect to tax due next April, schedule an appointment soon.

We are busily preparing tax plans to minimize tax and adjusting estimated payments to help our clients avoid penalty and interest.

Roger C. Nagel, CPA/PFS, CMA, CGMA

Focus on Values

Nagel on Finances: Nagel offers advice for parents

Teach the importance

Talking to your kids about money

If you know someone that would benefit from the information provided in these newsletters please contact rlamar@nagelcpa.us, or call 505-898-2558 to add them to our subscriber list.

Visit our website