



A MOMENT OF CLARITY

Five Simple Year-end Tax Planning Strategies

BY ALICIA WALL

The end of 2018 is fast approaching. Thanksgiving flew by, and now it's time to make sure holiday presents and plans are set as we gear up for cold weather and special times with family and friends. It's a busy time, but don't forget – your finances can use a little extra love this season too. Here are five simple year-end tax planning ideas to consider before you ring in the new year.

1. Charitable Giving
2. Gifting to Family
3. Tax-loss Harvesting
4. Retirement Plan Contributions
5. Roth Conversions

“I didn't get there by wishing for it or hoping for it, but by working for it.”

- Estée Lauder

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1. Charitable Giving

Reduce your 2018 tax bill and help a cause you are passionate about! Consider giving appreciated securities rather than cash to get a double tax benefit – you reduce your taxable income and avoid capital gains tax on the appreciation. Also consider bunching charitable gifts into one year to optimize your itemized deductions with the new tax law. [Click here](#) for more details on ways to give that can maximize your tax benefit while you make a difference.

2. Gifting to Family

You are entitled to gift up to \$15,000 per beneficiary that you can exclude from gift taxes for 2018. This means you can give \$15,000 to your son, another \$15,000 to your niece, and another \$15,000 to as many different beneficiaries as you like this year and avoid any gift tax and reduce your taxable estate.

3. Tax-loss Harvesting

The markets had a volatile year. Give yourself a little gift by selling positions that are at a loss to offset other capital gains realized this year and keep some extra tax savings in your pocket. Tax losses are valuable assets that shouldn't be ignored.

4. Retirement Plan Contributions

Maximize your contributions to your employee retirement plans like your 401k before December 31st. This reduces your 2018 taxable income, and your future retired self will thank you!

5. Roth Conversions

If you don't have as much taxable income for 2018, consider a Roth Conversion this year. This means converting your pre-tax IRA assets to after-tax Roth IRA assets and paying tax on that conversion now, while you're in a low tax bracket. This is a gift that keeps on giving – the assets in your Roth IRA grow completely tax free! Just make sure to [avoid common pitfalls](#).

In addition to these five simple year-end tax planning ideas, don't forget your 2018 Required Minimum Distribution if you are over 70½ or are the beneficiary of an inherited retirement account.

Given this year's tax law changes, be sure to coordinate the above strategies with your CPA or Round Table Wealth Advisor. Contact your Round Table Wealth Advisor if you would like to discuss the best year-end tax planning strategies for your unique circumstances.



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