

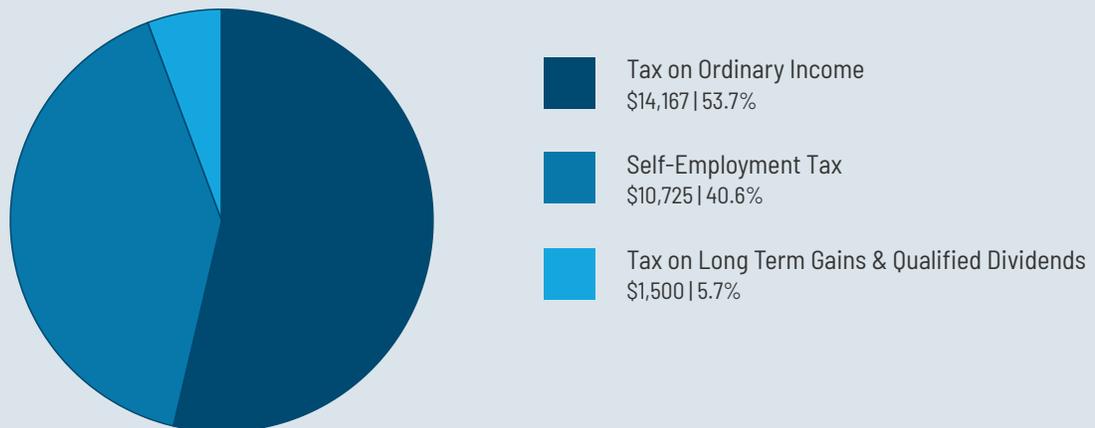


2025 Tax Report for Austin Accumulator and Lila Accumulator

KEY FIGURES

Total Income	\$176,900	Filing Status	Married Filing Jointly	Qualified/Ordinary Dividends	\$0 / \$0
Adjusted Gross Income (AGI)	\$171,237	Marginal Bracket	22.0%	ST/LT Capital Gains	\$0 / \$10,000
Deductions	\$31,500	Average Rate	10.8%	Carryforward Loss	\$0
Taxable Income	\$120,630	2026 Safe Harbor	\$21,112	Credits Claimed	\$7,200
Total Tax	\$19,192				

Let's take a look at your Tax Breakdown



The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

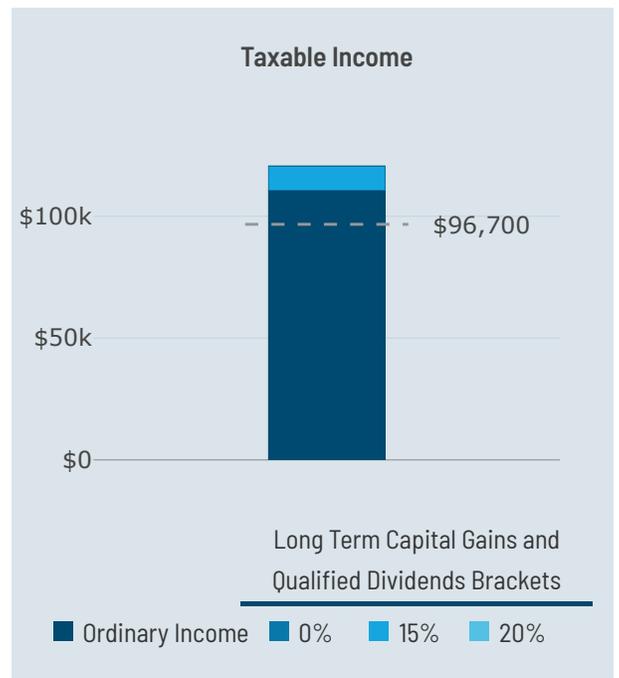
Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	\$0 to \$23,850	\$23,850	\$2,385
12%	\$23,850 to \$96,950	\$73,100	\$8,772
22%	\$96,950 to \$206,700	\$13,681	\$3,010
24%	\$206,700 to \$394,600	\$0	\$0
32%	\$394,600 to \$501,050	\$0	\$0
35%	\$501,050 to \$751,600	\$0	\$0
37%	\$751,600 and above	\$0	\$0
Total		\$110,631	\$14,167



Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of \$120,631 includes \$10,000 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	\$0 to \$96,700		\$0	\$0
15.0%	\$96,700 to \$600,050	\$120,631	\$10,000	\$1,500
20.0%	\$600,050 and above		\$0	\$0
Total			\$10,000	\$1,500



Schedule D - Capital Gains/Losses

The tax return listed the following sources of capital gains/losses

SHORT TERM

Description	Amount
Short Term Gain/Loss for 2025	\$0
Total Short Term Gain/Loss for 2025	\$0

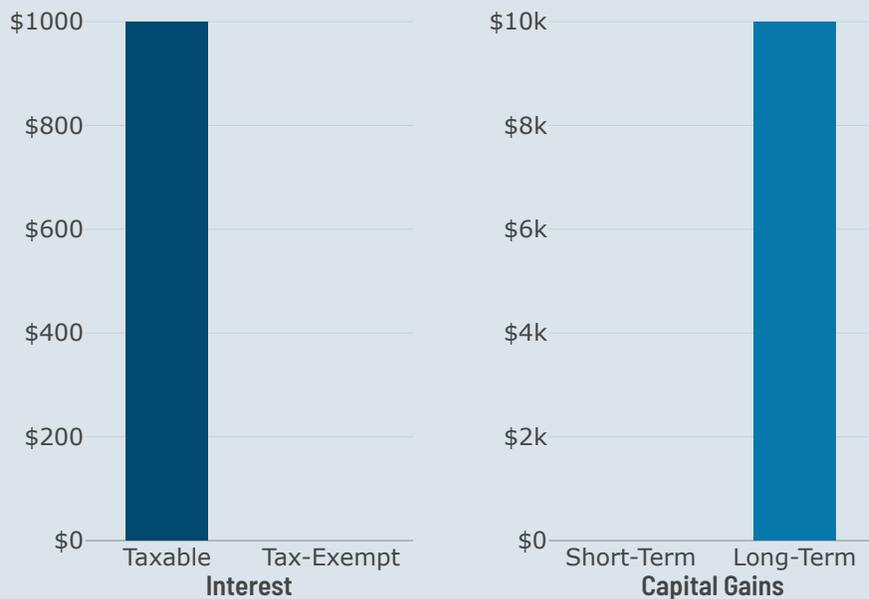
LONG TERM

Description	Amount
Long Term Gain/Loss for 2025	\$10,000
Total Long Term Gain/Loss for 2025	\$10,000

TOTAL		CARRY FORWARD LOSSES TO 2026	
Total Gains/Losses for 2025	\$10,000	Short Term Loss	\$0
		Long Term Loss	\$0

Let's take a look at the tax efficiency of your investment income

Different types of investment income are taxed differently. For example, non-qualified dividends and short-term capital gains are taxed as ordinary income at higher rates, while qualified dividends and long-term capital gains are taxed at lower preferential rates. And depending on your marginal bracket, it may be more tax efficient to use tax-free income vehicles like municipal bonds/bond funds instead of taxable income options.



Schedule C/E - Income Sources

The tax return listed the following businesses and entities on schedules C or E

SCHEDULE C

Business Name	Net Profit
	\$75,900.00

Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of “income” for these phase outs can be different. The term “Modified Adjusted Income” (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

MAGI Definition 1	\$171,238	
Coverdell ESA	\$190,000 - \$220,000	Under
Lifetime Learning Credit	\$160,000 - \$180,000	Phase Out
American Opportunity Credit	\$160,000 - \$180,000	Phase Out
Child Tax Credit	\$400,000 - \$532,000	Under
Qualified Adoption Expenses Credit	\$259,190 - \$299,190	Under
Savers Credit	\$51,000 - \$79,000	Above
Clean Vehicle Credit (New) - Expires 9/30/2025	\$0 - \$300,000	Under
Clean Vehicle Credit (Used) - Expires 9/30/2025	\$0 - \$150,000	Above
Enhanced Deduction for Seniors	\$150,000 - \$250,000	Phase Out
SALT Deduction Cap	\$500,000 - \$600,000	Under
Qualified Tips Deduction	\$300,000 - \$550,000	Under
Overtime Deduction	\$300,000 - \$550,000	Under
Car Loan Interest Deduction	\$200,000 - \$250,000	Under
MAGI Definition 2	\$171,238	
Net Investment Income Tax	\$0 - \$250,000	Under
MAGI Definition 3	\$171,238	
Roth IRA Contribution	\$236,000 - \$246,000	Under
MAGI Definition 4	\$171,238	
Student Loan Interest Deduction	\$170,000 - \$200,000	Phase Out
MAGI Definition 5	\$171,237	
IRA Contribution Deductibility - Covered by Qualified Plan	\$126,000 - \$146,000	Above
IRA Contribution Deductibility - Not Covered/Spouse Covered	\$236,000 - \$246,000	Under
MAGI Definition 6	\$171,238	
ACA Premium Credit	468% of federal poverty limit (48 States and DC)	

Formulas

- MAGI Definition 1: AGI + Foreign Housing Exclusion + Foreign Earned Income Exclusion + Foreign Housing Deduction
- MAGI Definition 2: AGI + Excluded Foreign Earned Income
- MAGI Definition 3: AGI + IRA Deduction + Student Loan Interest Deduction + Tuition and Fees Deduction (2020 only) + Total Foreign Income Exclusions + Foreign Housing Deduction - Taxable Roth Conversion

- MAGI Definition 4: Worksheet 4-1 from Publication 970, Total Income, Several Above the Line Deductions, + Total Foreign Income Exclusions + Foreign Housing Deduction
- MAGI Definition 5: AGI + Unemployment Comp. (2020 only) + Student Loan Interest Deduction + Tuition and Fees Deduction (2020 only) + Total Foreign Income Exclusions + Foreign Housing Deduction
- MAGI Definition 6: AGI + Excluded Foreign Income + Nontaxable Social Security Benefits (Including Tier 1 Railroad Retirement Benefits) + Tax Exempt Interest

Deductions & Credits

Deductions reduce the amount of income subject to tax while credits reduce taxes dollar for dollar.

DEDUCTIONS

Claimed	Deduction
Educator Expenses	\$300
Deductible Part of Self-Employment Tax	\$5,363
Standard Deduction	\$31,500
Qualified Business Income Deduction	\$14,107
Car Loan Interest Deduction	\$5,000

CREDITS

Claimed	Credit	Type
Non-Refundable Child Tax Credit + Credit for Other Dependents	\$6,600	Non-refundable
Dependent Care	\$600	Non-refundable

Observations

Given that you reported income on Schedule C, E, and/or F, your risk of costly errors is elevated. You may consider working with a tax professional next year.

You are in the 22.0% marginal bracket. Depending on your age and income projections, you might consider a Roth conversion.

Your return indicates an overpayment of taxes through estimated payments and/or withholding, resulting in a refund. Tax refunds are essentially interest-free loans to the government. Consider discussing your withholding and estimated payments with a tax professional, as adjustments may allow you to retain more of your money.

The 2026 safe harbor for underpayment penalties is your total tax x 110%, or \$21,112. Note that the timing of your payments is also important with respect to avoiding penalties. Withholding from a paycheck or retirement account distributions are considered to have happened throughout the year, but estimated tax payments should be timed to correspond with the timing of the income earned. A tax professional should be able to help in cases where income is uneven throughout the year.

Your Modified Adjusted Gross Income (MAGI) suggests you are eligible to contribute to a Roth IRA. Note that Roth contributions must come from what the IRS calls "compensation income". The tax return does include some compensation income.

Your tax return suggests you may have business income. Depending on your circumstances, you may be able to implement a retirement plan for the business to defer taxes.

Your tax return does not list any HSA contributions. If you are eligible to contribute to an HSA, you will get a tax deduction, regardless of whether you itemize or take the standard deduction.

Schedule C does not include any expenses on line 9, car and truck expenses. Do you use a vehicle for any business-related activities?

For the ACA Premium Tax Credit, taxpayers with MAGI of less than 100% of the Federal Poverty Limit (FPL) are not eligible to receive any credits. Generally, taxpayers with MAGI between 100% and 400% of the FPL are eligible to receive the credit on a sliding scale. Taxpayers with MAGI above 400% of the FPL may receive the credit, to the extent the credit will keep the cost of the benchmark plan to no more than 8.5% of household income.

Review employer-provided benefits to ensure you are taking full advantage of any pre-tax options.

Your modified adjusted gross income (MAGI) appears to be low enough to qualify for the new but not the used clean vehicle credit, assuming you purchase such a vehicle and it meets the other eligibility criteria. Note that you may still be eligible for the used vehicle credit based on MAGI, as you can use your MAGI from the year you take delivery of the vehicle or the year before, whichever is less. If your modified AGI is below the threshold in one of the two years, you can claim the credit. Please note that the credit is not available for vehicles purchased after September 30, 2025.
