



2024 Tax Report for Samuel Singletary

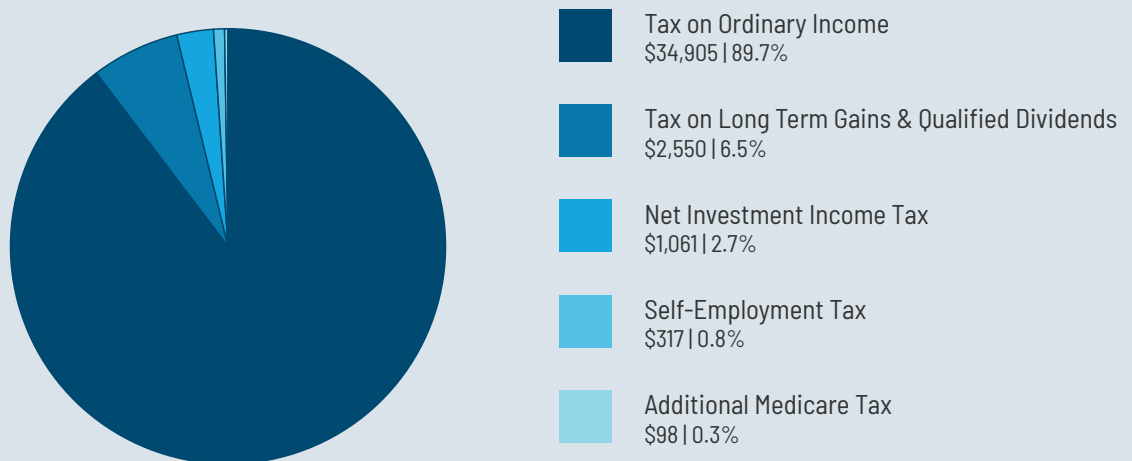
KEY FIGURES

| | |
|-----------------------------|-----------|
| Total Income | \$229,332 |
| Adjusted Gross Income (AGI) | \$227,923 |
| Deductions | \$27,500 |
| Taxable Income | \$198,484 |
| Total Tax | \$37,731 |

| | |
|---------------------------|-------------------|
| Filing Status | Head of Household |
| Marginal Bracket | 24.0% |
| Average Rate | 16.5% |
| Effective Rate | 19.0% |
| 2025 Safe Harbor | \$41,505 |
| Above The Line Deductions | \$1,408 |

| | |
|------------------------------|-------------------|
| Qualified/Ordinary Dividends | \$7,000 / \$7,500 |
| ST/LT Capital Gains | \$0 / \$10,000 |
| Carryforward Loss | \$0 |
| Credits Claimed | \$1,200 |

Let's take a look at your Tax Breakdown

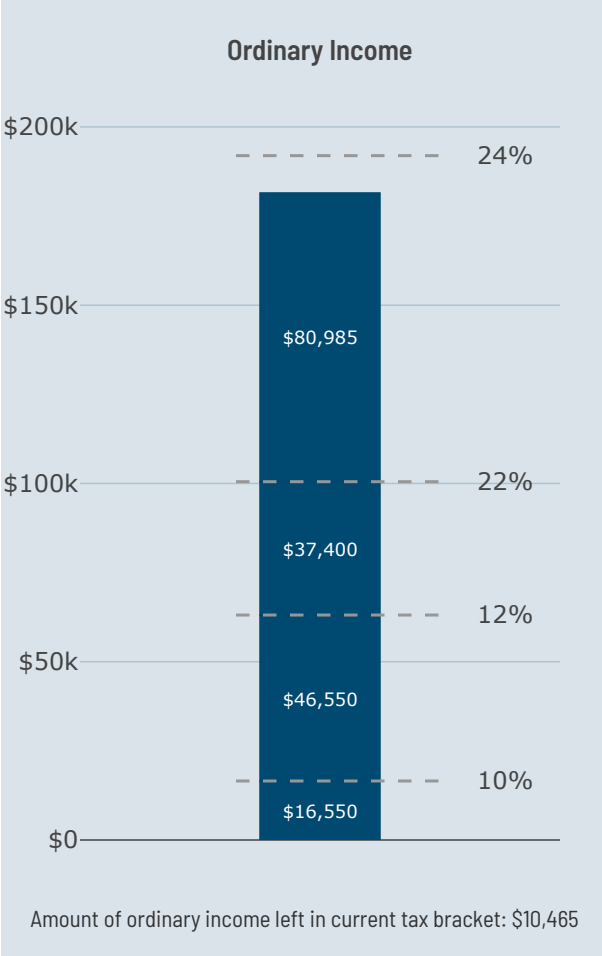


The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

Marginal Tax Brackets: Ordinary Income

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

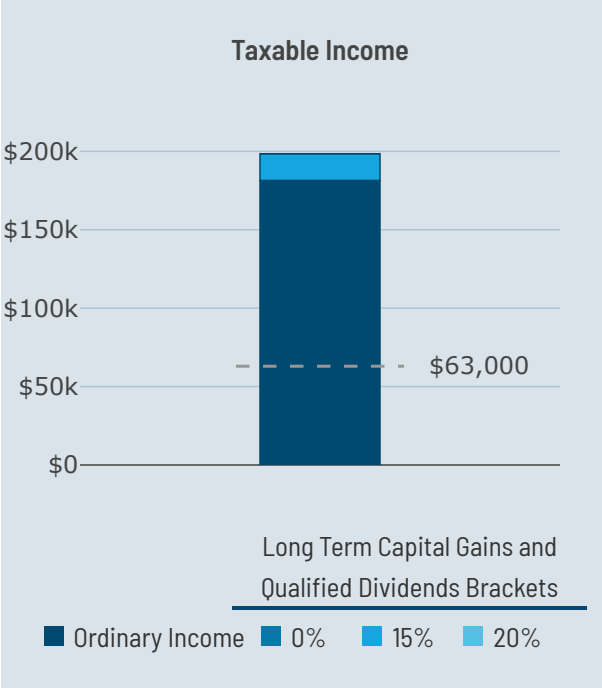
| Marginal Rate | Ordinary Income Threshold | Ordinary Income | Tax |
|---------------|---------------------------|-----------------|----------|
| 10% | \$0 to \$16,550 | \$16,550 | \$1,655 |
| 12% | \$16,550 to \$63,100 | \$46,550 | \$5,586 |
| 22% | \$63,100 to \$100,500 | \$37,400 | \$8,228 |
| 24% | \$100,500 to \$191,950 | \$80,985 | \$19,436 |
| 32% | \$191,950 to \$243,700 | \$0 | \$0 |
| 35% | \$243,700 to \$609,350 | \$0 | \$0 |
| 37% | \$609,350 and above | \$0 | \$0 |
| Total | | \$181,485 | \$34,905 |



Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of \$198,484 includes \$17,000 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 \$63,000 | | \$0 | \$0 |
| 15.0% | \$63,000 to \$551,350 | \$198,484 | \$17,000 | \$2,550 |
| 20.0% | \$551,350 and above | | \$0 | \$0 |
| Total | | | \$17,000 | \$2,550 |



Medicare Part B/D Premiums for 2026

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income* (MAGI). Your MAGI is \$227,924. Amounts are monthly per person.

*MAGI = AGI + Tax-Exempt Interest

| MAGI Threshold | MAGI | Part B Premium | Part D Premium |
|------------------------|-----------|----------------------------------|-----------------------------|
| \$0 to \$106,000 | | \$185.00 | Your Plan Premium |
| \$106,000 to \$133,000 | | $\$185.00 + \$74.00 = \$259.00$ | Your Plan Premium + \$13.70 |
| \$133,000 to \$167,000 | | $\$185.00 + \$185.00 = \$370.00$ | Your Plan Premium + \$35.30 |
| \$167,000 to \$200,000 | | $\$185.00 + \$295.90 = \$480.90$ | Your Plan Premium + \$57.00 |
| \$200,000 to \$500,000 | \$227,924 | $\$185.00 + \$406.90 = \$591.90$ | Your Plan Premium + \$78.60 |
| \$500,000 and above | | $\$185.00 + \$443.90 = \$628.90$ | Your Plan Premium + \$85.80 |

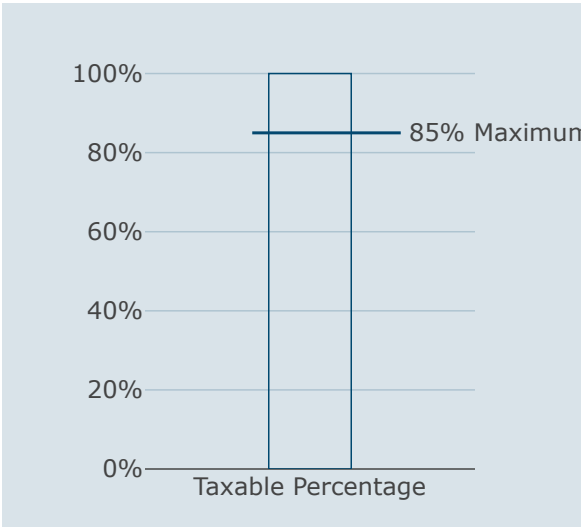
Social Security

TAXATION OF SOCIAL SECURITY

| Taxable Percentage | Income Threshold | Combined Income * | Your Taxable Percentage |
|---------------------|----------------------|-------------------|-------------------------|
| 0% Taxable | Less than \$25,000 | | |
| Up to 50.0% taxable | \$25,000 to \$34,000 | | |
| Up to 85.0% taxable | More than \$34,000 | \$227,923 | 0.0% |

SOCIAL SECURITY

| Description | Amount |
|--------------------|--------|
| Total Benefits | \$0 |
| Taxable Percentage | 0.0% |
| Taxable Benefits | \$0 |



* Combined income (provisional income)

| | |
|--|-----------|
| AGI (not including Social Security benefits) | \$227,923 |
| Nontaxable Interest | \$0 |
| 50% of your Social Security benefits | \$0 |
| Total combined income | \$227,923 |

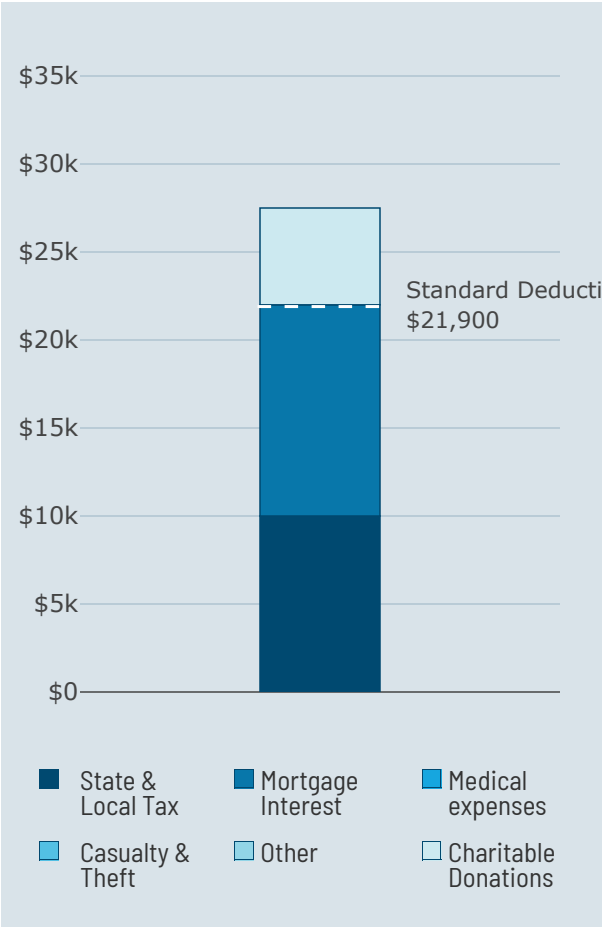
Schedule A

The tax return listed the following items on Schedule A:

ITEMIZED DEDUCTION SUMMARY

| Deduction | Amount Claimed |
|--|----------------|
| Medical & Dental Expenses | \$0 |
| State & Local Taxes | \$10,000 |
| Mortgage & Investment Interest Expense | \$12,000 |
| Gifts To Charity | \$5,500 |
| Casualty & Theft Losses | \$0 |
| Other Itemized Deductions | \$0 |
| Total Itemized Deductions | \$27,500 |

Your total itemized deductions exceeded the standard deduction by \$5,600



Schedule B - Income Sources

The tax return listed the following income sources on Schedule B

INTEREST

| Description | Amount |
|----------------------|----------|
| WELLS FARGO BANK | \$4,500 |
| MARCUS/GOLDMAN SACHS | \$3,500 |
| FIDELITY INVESTMENTS | \$12,000 |

DIVIDENDS

| Description | Amount |
|----------------------|---------|
| FIDELITY INVESTMENTS | \$7,500 |

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 2024 | \$0 |
| Total Short Term Gain/Loss for 2024 | \$0 |

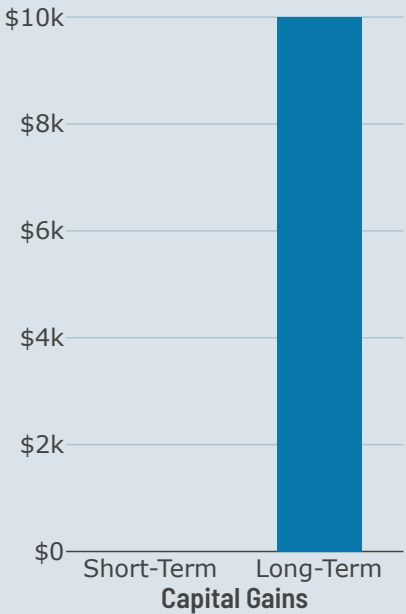
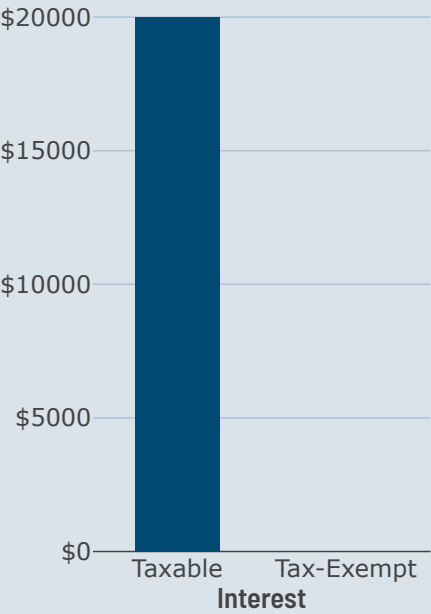
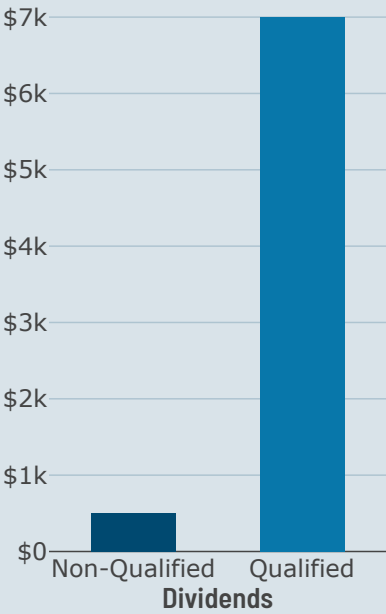
LONG TERM

| Description | Amount |
|-------------------------------------|----------|
| Long Term Gain/Loss for 2024 | \$0 |
| Capital Gain Distributions for 2024 | \$10,000 |
| Total Long Term Gain/Loss for 2024 | \$10,000 |

| | | | |
|-----------------------------|----------|------------------------------|-----|
| TOTAL | | CARRY FORWARD LOSSES TO 2025 | |
| Total Gains/Losses for 2024 | \$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 |
|------------------------------|-------------|
| MATH IS FUN TUTORING COMPANY | \$11,832.00 |

Net Investment Income Tax Summary

The Net Investment Income Tax (NIIT) is a 3.8% tax on the lesser of investment income or the amount over the income threshold where the NIIT is triggered which is \$200,000 (single filers) or \$250,000 (joint filers).

| Description | Amount |
|---|-----------|
| Modified adjusted gross income | \$227,924 |
| Threshold for Net Investment Income Tax | \$200,000 |
| Net Investment Income | \$35,864 |
| Lesser of Net Investment Income or MAGI in excess of the NIIT threshold | \$27,924 |
| Net Investment Income Tax | \$1,061 |



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 | \$227,924 | |
| Coverdell ESA | \$95,000 - \$110,000 | Above |
| Lifetime Learning Credit | \$80,000 - \$90,000 | Above |
| American Opportunity Credit | \$80,000 - \$90,000 | Above |
| Child Tax Credit | \$200,000 - \$240,000 | Phase Out |
| Qualified Adoption Expenses Credit | \$252,150 - \$292,150 | Under |
| Savers Credit | \$34,500 - \$57,375 | Above |
| Clean Vehicle Credit (New) | \$0 - \$225,000 | Above |
| Clean Vehicle Credit (Used) | \$0 - \$112,500 | Above |
| MAGI Definition 2 | \$227,924 | |
| Net Investment Income Tax | \$0 - \$200,000 | Above |
| MAGI Definition 3 | \$227,924 | |
| Roth IRA Contribution | \$146,000 - \$161,000 | Above |
| MAGI Definition 4 | \$227,924 | |
| Student Loan Interest Deduction | \$80,000 - \$95,000 | Above |
| MAGI Definition 5 | \$227,923 | |
| IRA Contribution Deductibility - Covered by Qualified Plan | \$77,000 - \$87,000 | Above |
| MAGI Definition 6 | \$227,924 | |
| ACA Premium Credit | 1156% 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 | | CREDITS | |
|--|-----------|---|----------------------|
| Claimed | Deduction | Claimed | Credit Type |
| HSA Deduction | \$1,250 | Non-Refundable Child Tax Credit + Credit for Other Dependents | \$600 Non-refundable |
| Deductible Part of Self-Employment Tax | \$159 | Dependent Care | \$600 Non-refundable |
| State, Local, and Other Taxes Deducted | \$10,000 | | |
| Mortgage and Investment Interest Expense Deduction | \$12,000 | | |
| Gifts to Charity | \$5,500 | | |
| Qualified Business Income Deduction | \$1,939 | | |

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.

Income exceeds the threshold for the 3.8% Net Investment Income Tax (NIIT). Consider strategies to reduce taxable income and be mindful of realized capital gains.

You are in the 24.0% marginal bracket. Depending on your age and income projections, you might consider a Roth conversion.

The Qualified Business Income (QBI) deduction phases out between \$191,950 and \$241,950 for certain professions named by the IRS. Your taxable income was within that phaseout range. If your business falls within one of those named professions, your QBI eligibility might be impacted.

The 2025 safe harbor for underpayment penalties is your total tax x 110%, or \$41,505. 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 not eligible to contribute directly to a Roth IRA. You do have eligible compensation though, so you might discuss the feasibility of the "Backdoor Roth" strategy.

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.

You deducted mortgage interest on your tax return. Given the high standard deduction, itemized deductions on mortgage interest are less valuable than they once were.

Samuel, you are age 50 in 2024 and thus are eligible to start making catch-up contributions to retirement accounts.

You owed additional taxes beyond any withholding or estimated tax payments. If this was due to a one-time event, you may not need to take any action. If not, consider adjusting your withholding to avoid any surprise lump sum payments due at tax time.

An HSA distribution was made to cover qualified medical expenses. It may be beneficial to cover medical expenses from other sources and keep funds inside the HSA. This would allow for tax-deferred growth, tax-free withdrawals for qualified medical expenses in the future, and penalty-free distributions for any reason after age 65.

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.

Keep track of your home improvement expenses for determining your adjusted cost basis in the event of a home sale.

Your tax return lists HSA contributions totaling \$1,250.00. The 2024 limits for HSA contributions were \$8,300 for families and \$4,150 for individuals, and any eligible taxpayer age 55 and older can contribute an additional \$1,000 catch-up amount to their own HSA account.

Your modified adjusted gross income (MAGI) appears to be high enough to make you ineligible for the new and used clean vehicle credits. 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.

WI State Tax Hints

Social Security benefits are not taxed.

Wisconsin parents can deduct private school tuition on their taxes. Under the program, parents can deduct up to \$4,000 per student in grades K-8, and up to \$10,000 per high school student.

There is a 30% deduction for long term capital gains and a 60% deduction for net long term capital gains from farm assets held more than one year.

The 2017 Tax Cut Jobs Act imposed a \$10,000 limitation on individuals' deduction of state and local taxes (SALT) for tax years 2018 through 2025. In response, many states have now enacted laws allowing pass-through entities (PTE) to elect to pay SALT at the entity level as a PTE tax in order to exceed the TCJA SALT deduction limitation. Please consult with a tax professional as it relates to your state's PTE tax ruling.

In 2024, contributions to a Wisconsin 529 College Savings Plan are deductible up to \$5,000 per beneficiary for single and joint filers, or \$2,500 for married filing separate and certain divorced parents of a beneficiary. Contributions greater than the maximum deduction amount may be carried forward as a deduction in future years.

In 2025, contributions to a Wisconsin 529 College Savings Plan are deductible up to \$5,130 per beneficiary for single and joint filers, or \$2,560 for married filing separate and certain divorced parents of a beneficiary. Contributions greater than the maximum deduction amount may be carried forward as a deduction in future years.

Disclaimer

This report is for illustration purposes and the information herein may not represent data or information that is complete and/or accurate. Please consult with your financial advisor and/or tax advisor prior to using the information included in this report to make any decisions related to your financial situation.