

# **Maximizing your tax refund:**

A strategic guide to tax planning



# Why tax planning matters

When it comes to optimizing your financial strategy, a comprehensive approach to proactive tax planning and management is essential.

Whether you're an individual taxpayer or a business owner, proper tax planning can help you:

- Keep more of your hard-earned money
- Make informed financial decisions
- Invest wisely for the future
- Avoid costly penalties and interest
- Take advantage of available tax benefits

Continue reading this guide for helpful tips, or contact our firm today for personalized tax planning assistance.

**Did you know?** Strategic tax planning throughout the year can help you identify additional deductions and credits you may be eligible for, potentially increasing your refund while ensuring compliance with tax laws.



## Step 1 Get a clear picture of your tax obligations

The first step in effective tax planning is to understand your current tax situation.

Key actions:

- Assess all income sources (wages, investments, other earnings)
- Review credits and deductible expenses
- Gather documentation
- Analyze previous tax returns

Accurate record-keeping is crucial, as it ensures that you have the necessary documentation to support your tax return.



### Pro tip:

Create a digital filing system for tax documents as you receive them throughout the year. This makes tax time much less stressful!

# Step 2

## Establish your financial goals

Setting clear financial goals is essential for successful tax planning. Your tax strategy should align with your broader financial objectives.

### Consider these questions:

- What are your short-term financial goals?
- What are your long-term financial objectives?
- Are you planning major life changes (retirement, purchasing a home, funding your children’s education?)

Timeline	Example goals
Short-term (1 to 3 years)	Emergency fund, debt reduction
Mid-term (3 to 10 years)	Home purchase, education funding
Long-term (10+ years)	Retirement, legacy planning

Once this is complete, you will be able to align your tax planning strategies with these goals to create a roadmap for financial success. Regularly review and adjust your goals as your circumstances change with our team.

# Step 3

## Assemble your document checklist

Proper documentation is the backbone of effective tax planning. Gather all necessary tax

documents, including W-2s, 1099s, receipts and financial statements when it is time to file your taxes.

### Essential tax documents:

- W-2 forms
- 1099 forms
- Mortgage interest statements
- Property tax records
- Charitable donation receipts
- Business income and expense records
- Investment statements
- Medical expense receipts
- Education expense records

**Please note:** Your tax checklist will be personalized to fit your individual circumstances. Please reach out to ensure you’re keeping track of all necessary tax documents.

**Important:** Keep tax records for at least three years from the date you filed your return or two years from the date you paid the tax, whichever is later.

### Make document management easier with a digital tool

Managing your documents with a digital filing system will go a long way toward ensuring that you have everything you need when it’s time to file your tax return during tax season.

Digital record keeping also saves you time (by making retrieval easier) and potentially money, too, since you will be able to mitigate the risk of audits and penalties.



## Step 4

# Maximize deductions and credits

One of the most effective ways to reduce your tax liability is by maximizing eligible deductions and credits.

Common deductions:

- Mortgage interest
- Medical expenses
- Charitable contributions

Popular tax credits:

- Education credits
- Energy-efficient home improvement credits
- Childcare credits

We can help to familiarize you with the deductions and credits that apply to your situation so you can take full advantage of them. If you have questions, please ask our tax team to review the tax credits you and your business may qualify for.



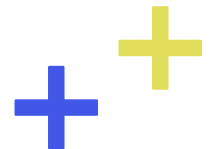
### Pro tip:

Keep a running list of potential deductions and credits throughout the year. Review this list with your tax advisor to ensure you're not missing any opportunities.

## Step 5

# Make the most of tax-advantaged accounts

Contributions to tax-advantaged accounts can reduce your taxable income, and qualified withdrawals may be tax-free.



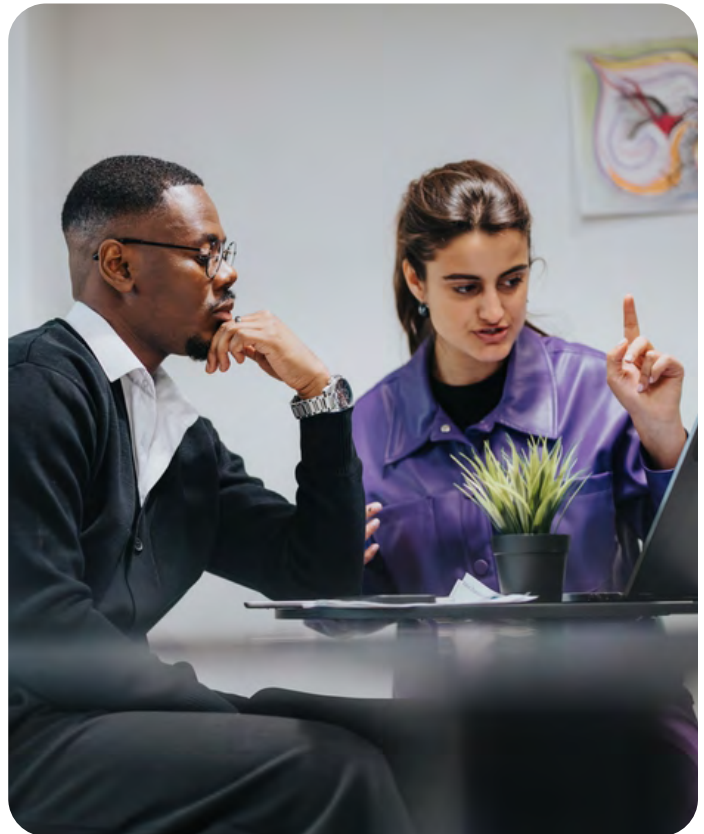
Make the most of accounts designed to provide tax benefits:

Account type	Contribution limit (2025)	Key benefits
Traditional or Roth IRA (Individual Retirement Account)	\$7,000 (or \$8,000 for taxpayers 50 and older)	Tax-deferred growth for Traditional IRA; tax-free withdrawals for Roth IRA (if eligible). Contributions may be tax-deductible depending on income and filing status.
SEP IRA (Self-employed IRA)	25% of compensation, up to \$70,000	High contribution limit for self-employed individuals and small business owners. Contributions are tax-deductible and flexible based on cash flow.
HSA (Health Savings Account)	\$4,300 (self-only); \$8,550 (family)	Triple tax advantage: contributions are pre-tax, growth is tax-free, and withdrawals for qualified medical expenses are tax-free. Unused funds roll over year to year.
FSA (Flexible spending account)	\$3,300	Pre-tax contributions lower taxable income. Funds can be used for a wide range of qualified healthcare expenses.
401(k)	\$23,000	Employers often match contributions. Higher limits compared to IRAs make it a powerful tool for retirement savings.

Notes:

- Contribution limits for IRAs and Roth IRAs are subject to income phase-out ranges based on MAGI (Modified Adjusted Gross Income).
- SEP IRA contributions are made by employers only and are capped at 25% of compensation or the dollar limit, whichever is lower.
- HSA eligibility requires enrollment in a high-deductible health plan (HDHP).
- FSAs generally have stricter rules regarding fund rollover compared to HSAs.

It's important to understand the contribution limits, tax implications and benefits of each account type to maximize your savings. If you have questions, always feel free to ask us for help.



## Step 6

# Optimize your charitable donations

Charitable contributions not only support worthy causes but also offer tax benefits.

Smart donation strategies:

- Consider making cash donations
- Donate appreciated assets
- Set up a donor-advised fund
- Keep thorough records and receipts of all contributions

Charitable giving can be a strategic component of your overall tax planning, helping you achieve your philanthropic goals while reducing your tax liability.

**Pro tip:** If you're over 70½, consider qualified charitable distributions (QCDs) from your IRA to satisfy required minimum distributions while reducing taxable income.

## Step 7

# Seek guidance from a trusted accounting advisor

A trusted accounting advisor can provide valuable guidance and expertise in navigating the complexities of tax planning.

Working with a tax professional:

- Helps identify tax-saving opportunities
- Ensures compliance with tax regulations
- Offers personalized advice tailored to your financial situation

We are here to help. We'll take time to understand your goals, then assist you in maximizing the value of your tax refund.

## Step 8

# Ensure that you complete your tax return

Filing your tax return accurately and on time is essential to avoid penalties for non-compliance and to expedite your maximum refund.

Filing checklist:

- Gather all necessary documents
- Review for accuracy and completeness
- Submit to your tax professional
- Plan for any tax payments due

Working with our team of tax professionals ensures that the basics—and the more advanced—tax issues and forms required are completed competently, and on time.

## Step 9

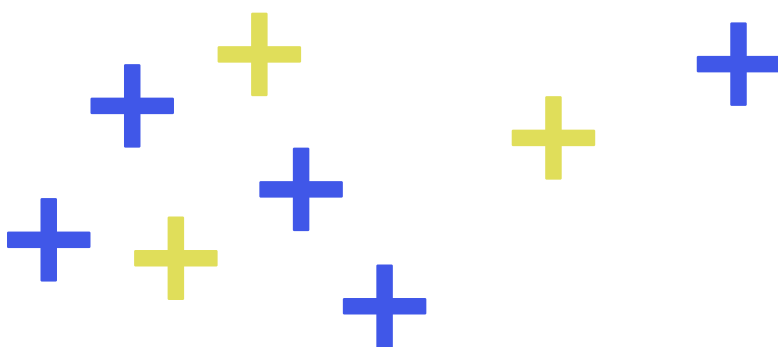
# Take your tax planning beyond filing season



Tax planning shouldn't stop after filing season.

Consider working with our team to continue proactive tax planning. We'll:

- Analyze your tax return to identify areas for improvement.
- Adjust your withholding and estimated tax payments as needed.
- Implement a year-round tax planning strategy to ensure that you are always prepared.
- Help you take advantage of available tax-saving opportunities.





# Tax planning FAQ

**Q: When should I start tax planning?**

A: The best time to start is now! Effective tax planning is a year-round activity.

**Q: How often should I review my tax strategy?**

A: At minimum, conduct quarterly reviews and after any major life changes.

**Q: What's the benefit of professional tax help?**

A: Tax professionals can often save you more than their fee by identifying opportunities you might miss and helping you avoid costly mistakes.

# Take action today

Proactive tax planning is an important component of financial success. By following these steps, and working with our team, you can maximize the value of your tax refund, minimize your tax liabilities and achieve your financial goals.

**Ready to maximize your tax refund?** Contact our team today to develop your personalized tax strategy.

