

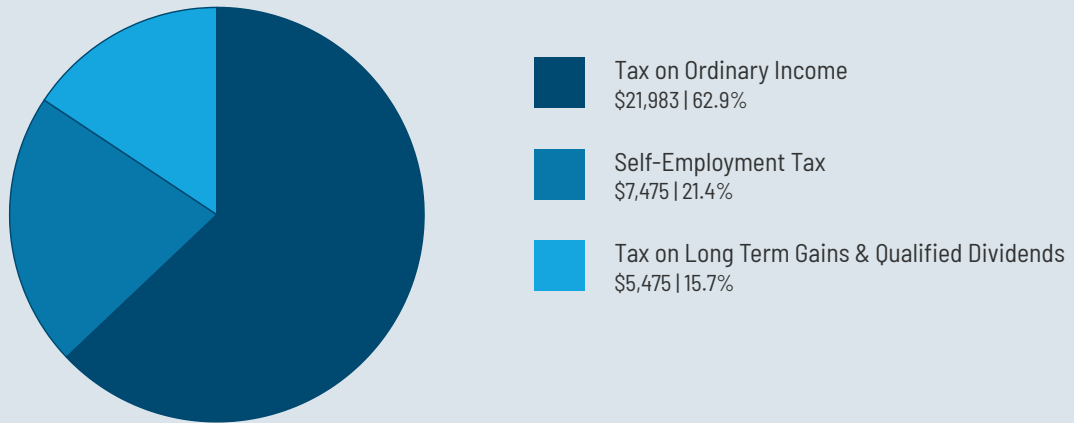


2023 Tax Report for P Client and J Client

KEY FIGURES

Total Income	\$234,650	Filing Status	Married Filing Jointly	Qualified/Ordinary Dividends	\$17,000 / \$20,000
AGI	\$230,912	Marginal Bracket	22.0%	ST/LT Capital Gains	\$2,500 / \$19,500
Deductions	\$42,000	Average Rate	10.8%	Carryforward Loss	\$0
Taxable Income	\$179,080	2024 Safe Harbor	\$27,757	Credits Claimed	\$9,700
Total Tax	\$25,233				

Let's take a look at your Tax Breakdown

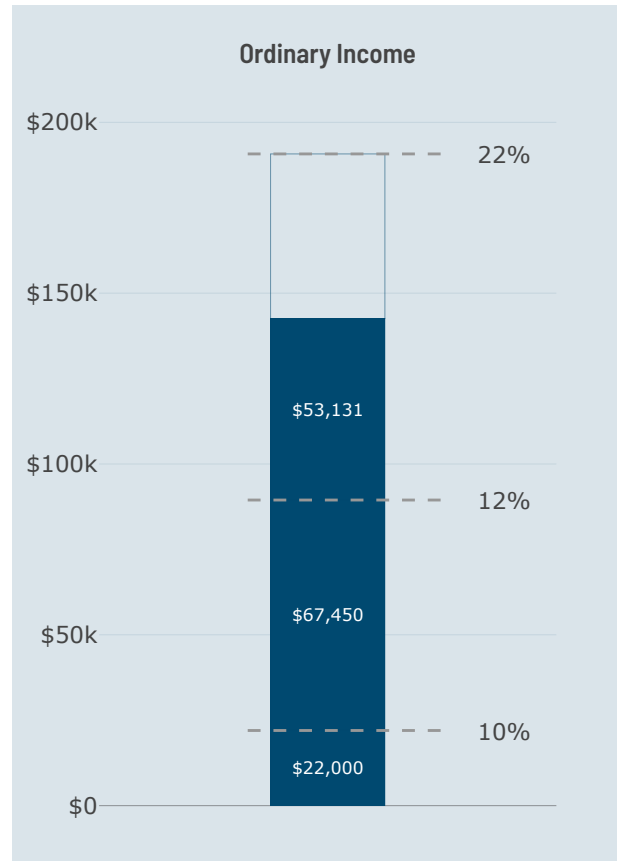


The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

Marginal Tax Brackets: Ordinary Income

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

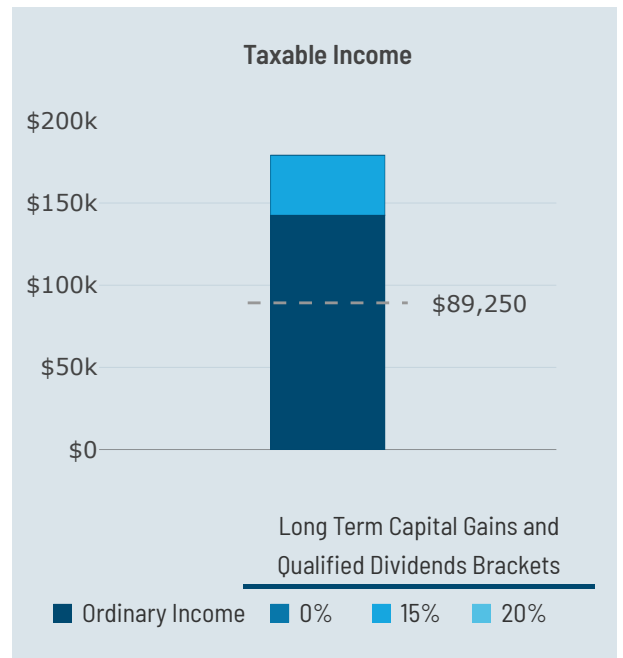
Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	\$0 to \$22,000	\$22,000	\$2,200
12%	\$22,000 to \$89,450	\$67,450	\$8,094
22%	\$89,450 to \$190,750	\$53,131	\$11,689
24%	\$190,750 to \$364,200	\$0	\$0
32%	\$364,200 to \$462,500	\$0	\$0
35%	\$462,500 to \$693,750	\$0	\$0
37%	\$693,750 and above	\$0	\$0
Total		\$142,581	\$21,983



Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of \$179,080 includes \$36,500 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 \$89,250		\$0	\$0
15.0%	\$89,250 to \$553,850	\$179,080	\$36,500	\$5,475
20.0%	\$553,850 and above		\$0	\$0
Total			\$36,500	\$5,475



Medicare Part B/D Premiums for 2025

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income* (MAGI). Your MAGI is \$230,913. Amounts are monthly per person.

*MAGI = AGI + Tax-Exempt Interest

MAGI Threshold	MAGI	Part B Premium	Part D Premium
\$0 to \$212,000		\$185.00	Your Plan Premium
\$212,000 to \$266,000	\$230,913	\$185.00 + \$74.00 = \$259.00	Your Plan Premium + \$13.70
\$266,000 to \$334,000		\$185.00 + \$185.00 = \$370.00	Your Plan Premium + \$35.30
\$334,000 to \$400,000		\$185.00 + \$295.90 = \$480.90	Your Plan Premium + \$57.00
\$400,000 to \$750,000		\$185.00 + \$406.90 = \$591.90	Your Plan Premium + \$78.60
\$750,000 and above		\$185.00 + \$443.90 = \$628.90	Your Plan Premium + \$85.80

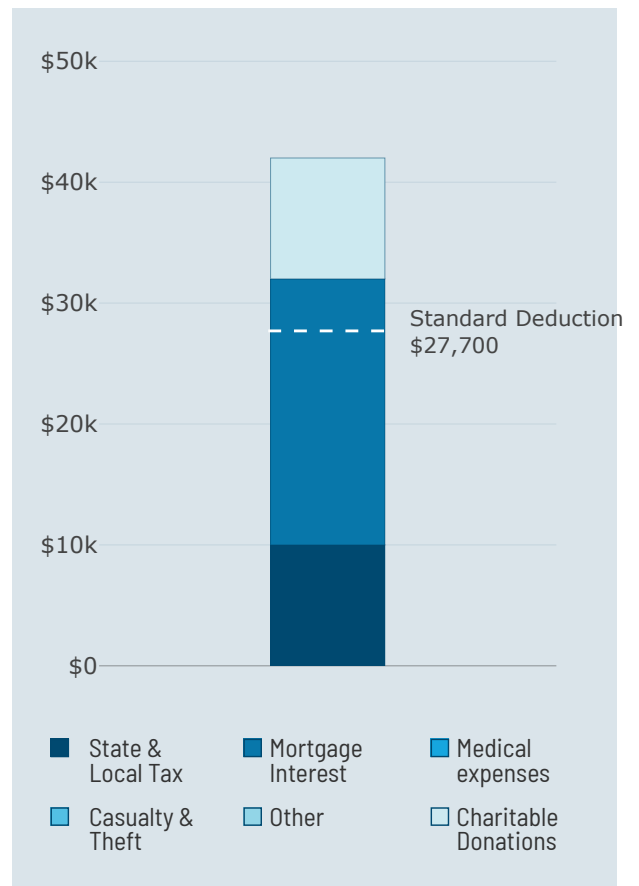
Schedule A

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	\$22,000
Gifts To Charity	\$10,000
Casualty & Theft Losses	\$0
Other Itemized Deductions	\$0
Total Itemized Deductions	\$42,000

Your total itemized deductions exceeded the standard deduction by \$14,300



Schedule B - Income Sources

The tax return listed the following income sources on Schedule B

INTEREST

Description	Amount
BANK OF AMERICA	\$1,500.00
ALLY BANK	\$2,000.00
SCHWAB	\$2,500.00

DIVIDENDS

Description	Amount
VANGUARD	\$10,000.00
SCWHAB	\$10,000.00

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 2023	\$2,500
Total Short Term Gain/Loss for 2023	\$2,500

LONG TERM

Description	Amount
Long Term Gain/Loss for 2023	\$7,000
Capital Gain Distributions for 2023	\$12,500
Total Long Term Gain/Loss for 2023	\$19,500

TOTAL

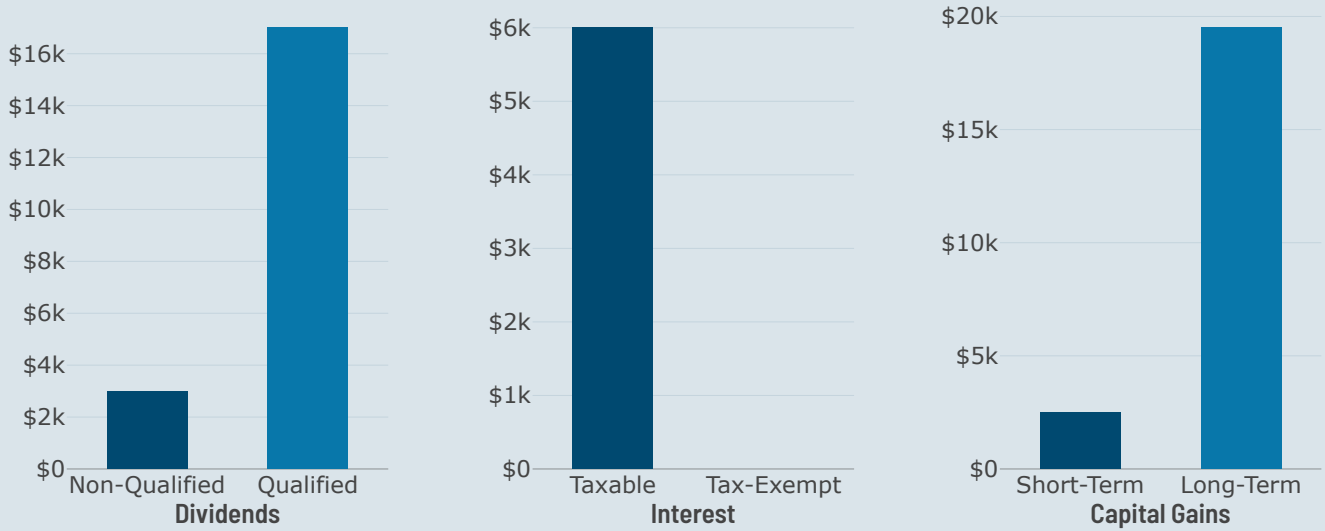
Total Gains/Losses for 2023 \$22,000

CARRY FORWARD LOSSES TO 2024

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
PAULA'S PALATE	\$52,900.00

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	\$230,913	
Coverdell ESA	\$190,000 - \$220,000	Over
Lifetime Learning Credit	\$160,000 - \$180,000	Over
American Opportunity Credit	\$160,000 - \$180,000	Over
Child Tax Credit	\$400,000 - \$440,000	Under
Qualified Adoption Expenses Credit	\$239,230 - \$279,230	Under
Savers Credit	\$43,500 - \$73,000	Over
Clean Vehicle Credit (New)	\$0 - \$300,000	Under
Clean Vehicle Credit (Used)	\$0 - \$150,000	Over
MAGI Definition 2	\$230,913	
Net Investment Income Tax	\$0 - \$250,000	Under
MAGI Definition 4	\$230,913	
Student Loan Interest Deduction	\$155,000 - \$185,000	Over
MAGI Definition 5	\$230,912	
IRA Contribution Deductibility - Covered by Qualified Plan	\$116,000 - \$136,000	Over
IRA Contribution Deductibility - Not Covered/Spouse Covered	\$218,000 - \$228,000	Over
MAGI Definition 6	\$230,913	
ACA Premium Credit	832% of federal poverty limit (48 States and DC)	

Deductions & Credits

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

DEDUCTIONS

Claimed	Deduction
Deductible Part of Self-Employment Tax	\$3,738
State, Local, and Other Taxes Deducted	\$10,000
Mortgage and Investment Interest Expense Deduction	\$22,000
Gifts to Charity	\$10,000
Qualified Business Income Deduction	\$9,832

CREDITS

Claimed	Credit Type
Non-Refundable Child Tax Credit + Credit for Other Dependents	\$2,500 Non-refundable
Dependent Care	\$1,200 Non-refundable
Residential Clean Energy Credit	\$6,000 Non-refundable

Observations

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.