



## 9. Friday Footnotes

### Reading Your Tax Return

*We highly recommend reviewing your tax return upon completion, ideally, prior to signing and submitting.*

- Review W-2 withholding.
- Double check that you have all tax documents from bank and investment accounts.
- If you made an IRA or Roth IRA contribution after 12/31/24, it will not be reflected on a 5498. Be sure to include contributions manually!
- Review your deductions and credits, some are expiring with the TCJA sunset.
- Understand your marginal and effective tax rate. Calculation below!

*Things can be missed, we love a "second set of eyes" policy on taxes. Double checking that the information on tax documents is accurately reflected on your return is a best practice we recommend! Below are key numbers to know.*

<b>Income</b> Attach Form(s) W-2 here. Also attach Forms W-3G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.  Attach Sch. B if required.  <b>Standard Deduction for—</b> • Single or Married filing separately, \$14,600 • Married filing jointly or Qualifying surviving spouse, \$29,200 • Head of household, \$21,900 • If you checked any box under Standard Deduction, see instructions.	<b>1a</b>	Total amount from Form(s) W-2, box 1 (see instructions)	<b>1a</b>	
	<b>b</b>	Household employee wages not reported on Form(s) W-2	<b>1b</b>	
	<b>c</b>	Tip income not reported on line 1a (see instructions)	<b>1c</b>	
	<b>d</b>	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	<b>1d</b>	
	<b>e</b>	Taxable dependent care benefits from Form 2441, line 26	<b>1e</b>	
	<b>f</b>	Employer-provided adoption benefits from Form 8839, line 29	<b>1f</b>	
	<b>g</b>	Wages from Form 8919, line 6	<b>1g</b>	
	<b>h</b>	Other earned income (see instructions)	<b>1h</b>	
	<b>i</b>	Nontaxable combat pay election (see instructions)	<b>1i</b>	
	<b>z</b>	Add lines 1a through 1h	<b>1z</b>	
	<b>2a</b>	Tax-exempt interest	<b>2a</b>	
	<b>3a</b>	Qualified dividends	<b>3a</b>	
	<b>4a</b>	IRA distributions	<b>4a</b>	
	<b>5a</b>	Pensions and annuities	<b>5a</b>	
	<b>6a</b>	Social security benefits	<b>6a</b>	

- Line 6a reflects total Social Security benefits, Line 6b reflects how much of your benefit is taxable income.
- Line 9 is your Total Income
- Line 11 is your Adjusted Gross Income. Modified Adjusted Gross Income is your Adjusted Gross Income with some Schedule 1 adjustments added back in. **MAGI** is an important number to know for Medicare premiums and IRMAA.
- Line 12 is the higher of your itemized or standard deduction. The standard deduction was increased with TCJA and is scheduled to sunset this year if the government does not extend the tax package.
- Line 15 is your **TAXABLE** income, after deductions.

Form 1040 (2024)		Page <b>2</b>	
<b>Tax and Credits</b>	<b>16</b>	Tax (see instructions). Check if any from Form(s): <b>1</b> <input type="checkbox"/> 8814 <b>2</b> <input type="checkbox"/> 4972 <b>3</b> <input type="checkbox"/>	<b>16</b>
	<b>17</b>	Amount from Schedule 2, line 3	<b>17</b>
	<b>18</b>	Add lines 16 and 17	<b>18</b>
	<b>19</b>	Child tax credit or credit for other dependents from Schedule 8812	<b>19</b>
	<b>20</b>	Amount from Schedule 3, line 8	<b>20</b>
	<b>21</b>	Add lines 19 and 20	<b>21</b>
	<b>22</b>	Subtract line 21 from line 18. If zero or less, enter -0-	<b>22</b>
	<b>23</b>	Other taxes, including self-employment tax, from Schedule 2, line 21	<b>23</b>
	<b>24</b>	Add lines 22 and 23. This is your <b>total tax</b>	<b>24</b>
	<b>25</b>	Federal income tax withheld from:	

- Line 24 is your **TOTAL TAX** owed.
- Lines 25-26 should be reviewed against your W2/1099-K-1's.
- Line 33 reflects your **TOTAL PAYMENTS**.

Whether you receive a refund or have to write a check depends on whether the amount on Line 33 is greater or smaller than Line 24! The Safe Harbor rule says that you must withhold 90% of Line 24 to avoid paying an under-withholding penalty.

### 2024 Marginal Tax Brackets

Tax Rate	Single filers	Married filing jointly or qualifying surviving spouse	Married filing separately	Head of household
10%	\$0 to \$11,600	\$0 to \$23,300	\$0 to \$11,600	\$0 to \$16,550
12%	\$11,601 to \$47,150	\$23,301 to \$94,300	\$11,601 to \$47,150	\$16,551 to \$63,100
22%	\$47,151 to \$100,525	\$94,301 to \$201,050	\$47,151 to \$100,525	\$63,101 to \$100,500
24%	\$100,526 to \$191,950	\$201,051 to \$383,900	\$100,526 to \$191,950	\$100,501 to \$191,950
32%	\$191,951 to \$243,725	\$383,901 to \$487,450	\$191,951 to \$243,725	\$191,951 to \$243,700
35%	\$243,726 to \$609,350	\$487,451 to \$731,200	\$243,726 to \$365,600	\$243,701 to \$609,350
37%	\$609,351 or more	\$731,201 or more	\$365,601 or more	\$609,351 or more

*Marginal tax brackets are tiered. So if your total income as Married filers is \$250,000, not ALL of your income is taxed at 24%, just the amount from \$201,051. Calculating within the ranges will give you the Average Rate. But the number we really want is calculated below.*

### Calculating Effective Tax Rate

*This percentage is the actual rate you PAY after deductions and credits.*

**Line 24 - Total Tax**

*divided by*

**Line 15 - Taxable Income**

*The effective tax rate is the guide point for future tax withholding. Once you've calculated for 2024, double check your SSA, pension and IRA withholding amounts.*

**Do you need to update your withholding percentage?**

- For Raymond James and Schwab accounts, please call the office.
- For SSA, [click here](#) for the form.

### Understanding Your Return

*We have software that will read your tax returns and provide a comprehensive explanation of your personal tax situation. We can uncover opportunities and plan for the future. If you would like to send us your tax return, please [click here](#) and we will send you a SECURE email to safely send.*

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for every chapter of your life



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