FRESH ADVICE

GETTING READY FOR TAX SEASON



Michelle A. Clary, CFP®, ChFC®, CLU®, RICP®, AEP®, CEO of Piton Wealth



The Piton team has found constantly and repeatedly that preparing and planning yield the best results, especially over the long term, both for financial goals and for many life goals, so let's start with preparation. This is the season when you can and should organize the information about transactions that document your income for the calendar year 2023, with the IRS' deadline for filing your federal income tax return being Monday April 15, 2024. (See the next section for some information regarding the tax year 2024.) For the most part, forms documenting your income for 2023 should have been available by the end of January, so now is the perfect time to gather all of them together and organize them. Be sure to gather forms that arrive in printed form and those delivered digitally, so that you have a complete collection that documents your income (remember, if you received a copy, so did the IRS, so it only causes difficulty if your set of forms does not include everything that the IRS has).

If you have worked with a tax professional in previous years or are considering working with one on your 2023 taxes, now is also an excellent time to reach out to them. There will inevitably come a crunch as the deadline for filing taxes nears, so, no matter your individual tax situation, starting the process early and being able to complete it early will be easier and less stressful for everyone. The Piton team also knows from experience the benefits for clients of coordinating all your finances, including your taxes, so that you can attain not just financial goals but life goals. The more a financial planner knows about what is happening with your taxes, the better that they can coordinate all the components of your finances accordingly. In practice, this means that having a financial planner in contact with a tax professional will result in your life goals staying in focus throughout the current tax process and beyond into the future. Speaking of the future, let's move on to planning...

THE IRS HAS A PLAN FOR 2024! DO YOU?

Once you have prepared your tax records thoroughly, you can start developing a plan for the future. Keep in mind that the income tax forms that you are filing this year represent the final stages of paying your income taxes for last year. Ideally, you are filing tax forms that represent the final execution of a tax plan that you developed and updated in 2023. In any case, taxpayers are already involved in income taxes for 2024 (the ones to be filed in 2025).

Keep in mind, though, that the IRS is collecting taxes throughout the year, and that the tax filing in 2024 is only the final reconciliation of what you owe for 2023. It is a good idea every year to review your withholdings (form W-4) and any tax payments that you make (for example, Estimated Tax payments for the first quarter of 2024) will also be due April 15, 2024. While you are collecting, organizing and reviewing your documents about 2023 taxes, it is also a logical time to review your payments on your 2024 taxes. If you are unsure about what changes might be best for your finances, reach out to a tax professional.

- For the first quarter, payment due April 15, 2024
- For the second quarter, payment due June 17, 2024
- For the third quarter, payment due September 16, 2024
- For the fourth quarter, payment due January 15, 2025

For the tax year 2023 and the April 15 deadline for filing, the IRS does allow taxpayers to file for an extension to file taxes. While this may be necessary in certain circumstances, rarely does a delay in filing bring any advantages for a taxpayer. In the context of preparation and planning, the later that you take to complete the process for 2023 taxes means the less time that you can coordinate your ongoing tax payments in your overall plan. While we have

GETTING READY FOR TAX SEASON

FRESH ADVICE

focused in this issue on two separate tax years, there are a number of components of income taxes that are, or can be, distributed over multiple years. These components represent at least one area where coordinating your tax plan can yield financial benefits. Delaying your return shortens your planning time and reduces the options that you can pursue. All this is to say, even if it becomes necessary to pursue an extension of the deadline, it is still advantageous to complete filing 2023 tax returns as far ahead of the October 15, 2024 deadline as possible.

Because, rather than delay, the Piton team wants you to make progress toward your life goals, especially goals of generosity. If you desire to be generous with the IRS, then the IRS is ready with their plan. If your passions trend toward other recipients of your generosity, prepare, plan and execute! That's the Piton way!



Prepare and plan:

"Prepare and Plan" is the mantra of Fresh Advice and the Piton team. Tax laws change and no one can predict the future of most economic conditions and changes, so when the choices and opportunities seem vague or overwhelming, let's go back to the Piton perspective: set the goal, make a plan, and then you can (and will!) revise and update that plan. This of course holds true for many journeys in life, career, personal, spiritual, as well as financial. Rather than worry about or defer financial plans, keep it simple and commit to some basics, and just expect –KNOW–that changes and revisions to those goals and plans will be coming.

QUIZ ?

For the tax year 2024, the Piton team urges everyone to

a. feel relieved that they do not yet owe taxes for this year
b. focus only on this year's income taxes.
c. review, prepare and plan their tax payments.
d. wait until the IRS publishes the tax rates for next year.

CAN YOU FIND the HIDDEN PITON?

A piton is a tool which mountain climbers use to secure a hold and climb higher than they could have otherwise. That is why we are Piton Wealth, to advise clients so they climb to ever higher goals. Comprehensive financial planning is the dedicated tool that the Piton team uses for clients to achieve those goals. (Check https://pitonwealth.com/wp-content/uploads/2022/08/Piton_web_page_FAQ.pdf for a quick guide about whether Piton would be a good fit for you.) The ultimate goal is a fulfilling and generous life. The Piton team hopes to see you as part of that life at one of Piton's community events, or any of the many life-affirming events in our communities, and we would love to talk to you about a plan, so please reach out to us when you want to find out about a potential Navigated Journey for you and your loved ones.

Thank you! The Piton team will be back with more Fresh Advice in March!

Visit pitonwealth.com/learning for videos and more free information

If you are interested in Piton Wealth's services, call (509) 582-0570 or visit pitonwealth.com/request-an-appointment/

We hope to hear from you!

ANSWERS: c. You can see the piton on page 2 Prepare and Plan headline.

Disclosures: Investment advisory services offered through Thrivent Advisor Network, LLC., a registered investment adviser and a subsidiary of Thrivent. Advisory persons of Thrivent provide advisory services under a "doing business as" name or may have their own legal business entities. However, advisory services are engaged exclusively through Thrivent Advisor Network, LLC, a registered investment adviser. Piton Wealth and Thrivent Advisor Network, LLC are not affiliated companies. Information in this message is for the intended recipient[s] only. Please visit our website pitonwealth.com for important disclosures.

Thrivent Advisor Network and its advisory persons do not provide legal advice, accounting or tax advice. The information provided is intended to be discussed and reviewed with your professional tax advisor. The information displayed is NOT intended nor designed to assist you in completing tax forms or provide tax advice. This material is intended to assist in considering hypothetical scenarios, which may impact federal income tax. This material is intended for education and is not designed for precision.