



ROBERTS
wealth management

2025 TAX GUIDE

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The Greatest Trick Ever Played: A Story of Tax Planning

In our opinion, it all started with the Revenue Act of 1978 when the 401(k) was born. It quickly became the go-to retirement plan for companies across America and would be a way for employees to save for their retirement while getting a tax break. What people didn't realize was that the greatest trick ever played was being pulled on them.

See, back in our grandparents' days, company pensions handled retirement. The responsibility wasn't on the individual, but now, it is, and individuals are often left to do it alone. With so many different and confusing options, it's no wonder many people struggle with retirement planning.

To make matters worse, individuals are playing a dangerous game. They're deferring taxes to an unknown tax rate that most experts believe will increase. With the federal debt at an all-time high, it seems to us it's only a matter of time before taxes could potentially increase.

But we believe there's hope. By working with a financial advisor who understands the complexities of tax planning, individuals can take control of

their retirement planning and minimize their tax liability. Don't fall victim to the greatest trick ever played. Take control of your retirement planning and minimize your tax liability with the help of a financial advisor and the resources in this tax guide.

Introduction Tax planning is an essential part of managing your finances. As the tax laws evolve, staying informed and up-to-date on the latest changes that may affect your income and wealth is essential.

In this guide, we will explore the different tax rules, regulations and changes for 2025 and provide practical tips for tax planning.

2025 Tax Changes: Understanding Tax Changes for 2025

Tax Planning Strategies for Individuals

For the 2025 tax year, a few key changes will affect individual taxpayers. One significant change is the adjustment for inflation, which impacts a range of tax-related items, such as the standard deduction, tax brackets and contribution limits for retirement accounts.

The standard deduction for 2025 has increased slightly for all filing statuses. For single filers, the standard deduction is \$15,000, an increase of \$400 from 2024. For married couples filing jointly, the standard deduction is \$30,000, an increase of \$800 from 2024. For those filing as head of household, the standard deduction is \$22,500, an increase of \$600 from 2024.

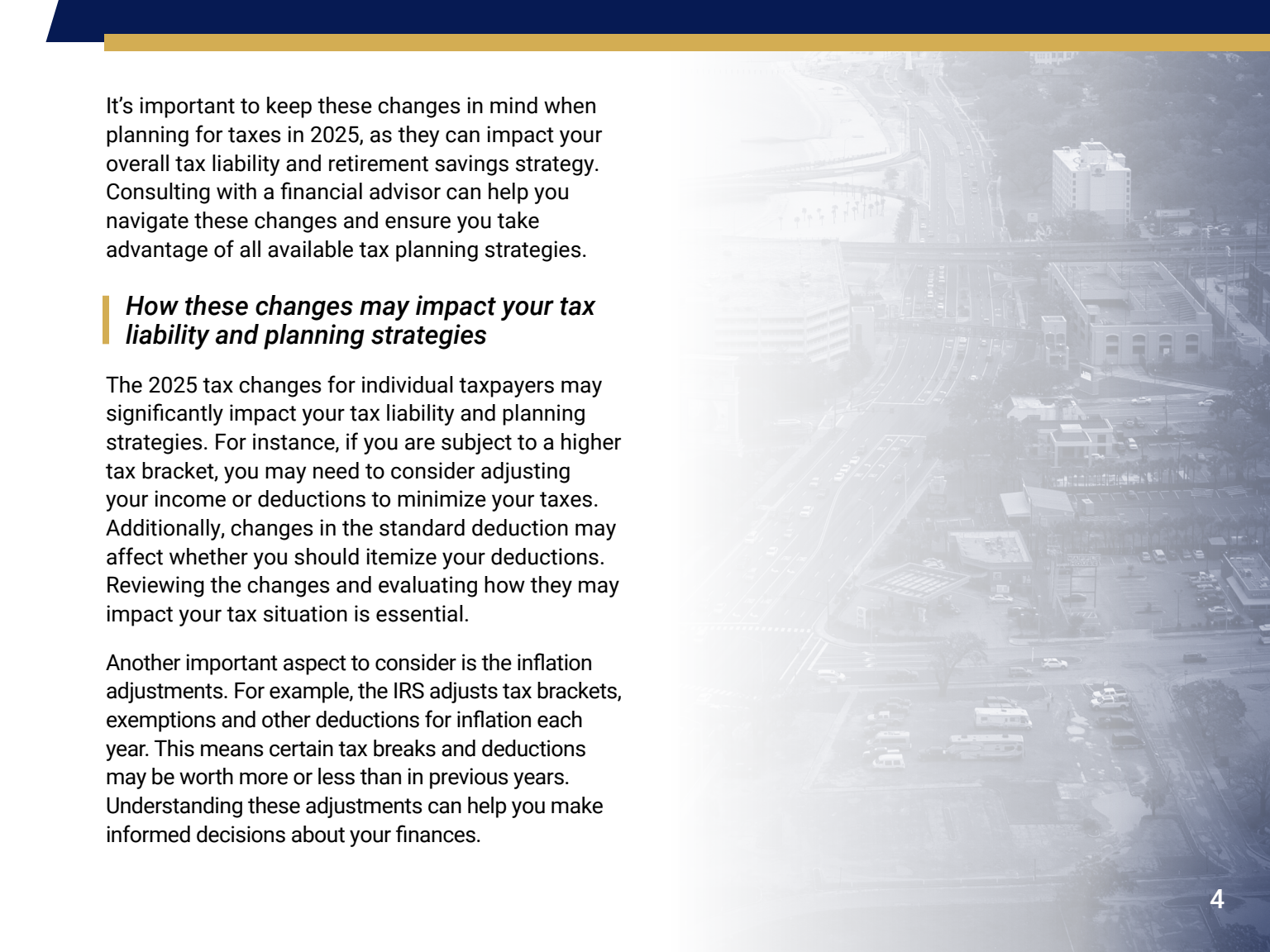
Standard Deductions		
Filing Status	2024	2025
Single	\$14,600	\$15,000
Married, Filing Jointly	\$29,200	\$30,000
Head of Household	\$21,900	\$22,500

The tax brackets for 2025 have also been adjusted for inflation, resulting in slight increases in the income thresholds for each bracket. The top tax rate of 37% will apply to individuals with taxable income above \$626,351 for single filers and \$751,601 for married couples filing jointly.

In addition, the contribution limits for various retirement accounts have increased slightly for

2025. For example, the contribution limit for 401(k) and 403(b) plans has increased to \$23,500, with an additional catch-up contribution of \$7,500 allowed for those age 50 and older. The contribution limit for traditional and Roth IRAs has increased to \$7,000, with a catch-up contribution of \$1,000 allowed for those age 50 and older.

2025 Tax Brackets			
Tax Rate	Single	Married, Filing Jointly	Head of Household
10%	Up to \$11,925	Up to \$23,850	Up to \$17,000
12%	\$11,926 to \$48,475	\$23,851 to \$96,950	\$17,001 to \$64,850
22%	\$48,476 to \$103,350	\$96,951 to \$206,700	\$64,851 to \$103,350
24%	\$103,351 to \$197,300	\$206,701 to \$394,600	\$103,351 to \$197,300
32%	\$197,301 to \$250,525	\$394,601 to \$501,050	\$197,301 to \$250,500
35%	\$250,526 to \$626,350	\$501,051 to \$751,600	\$250,501 to \$626,350
37%	\$626,351 or more	\$751,601 or more	\$626,351 or more




It's important to keep these changes in mind when planning for taxes in 2025, as they can impact your overall tax liability and retirement savings strategy. Consulting with a financial advisor can help you navigate these changes and ensure you take advantage of all available tax planning strategies.

How these changes may impact your tax liability and planning strategies

The 2025 tax changes for individual taxpayers may significantly impact your tax liability and planning strategies. For instance, if you are subject to a higher tax bracket, you may need to consider adjusting your income or deductions to minimize your taxes. Additionally, changes in the standard deduction may affect whether you should itemize your deductions. Reviewing the changes and evaluating how they may impact your tax situation is essential.

Another important aspect to consider is the inflation adjustments. For example, the IRS adjusts tax brackets, exemptions and other deductions for inflation each year. This means certain tax breaks and deductions may be worth more or less than in previous years. Understanding these adjustments can help you make informed decisions about your finances.



It is crucial to have a sound tax planning strategy in place to take advantage of these changes and maximize your savings. A financial advisor can help you navigate these complex tax rules and regulations and develop a personalized tax plan that suits your unique financial goals and objectives.

Tax Planning Strategies for Businesses

Tax changes affecting business owners, including changes in depreciation rules, qualified business income deduction, and other business credits

The 2024 tax changes also affect business owners, with several changes in depreciation rules, qualified business income deduction and other business credits. One of the significant changes is the increased Section 179 deduction limit for businesses that purchase qualifying equipment or software. The deduction limit has been raised to \$1.22 million, up from \$1.16 million in 2023. The qualified business income deduction, also known as the “pass-through deduction,” has also changed.

The deduction allows business owners to deduct up to 20% of their qualified business income from their taxable income. In 2025, the deduction will be

phased out for taxpayers with taxable income above \$197,300 for single filers and \$394,600 for married couples filing jointly.

A notable change to the business tax credit landscape was the expansion of the Work Opportunity Tax Credit, which provides employers with a credit for hiring individuals from certain targeted groups such as veterans, ex-felons and those receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

It's important for business owners to understand these changes and how they may affect their tax liability and planning strategies. Business owners should work closely with their financial advisors to take advantage of available deductions and credits and develop tax-efficient business strategies.

How these changes may impact business taxes and planning strategies

The changes in depreciation rules, qualified business income deduction and other business credits may significantly impact business taxes and planning strategies. For instance, the 2024 tax changes increase the maximum deduction for Section 179, which allows businesses to

expense the cost of qualifying property rather than depreciating it over time. The deduction limit has increased to \$1.22 million for the tax year 2024, up from \$1.16 million in 2023.

Additionally, the qualified business income (QBI) deduction remains in effect for 2025, allowing eligible business owners to deduct up to 20% of their qualified business income from their taxable income. However, the rules for calculating QBI deductions are complex, and business owners may need to seek the advice of a tax professional to maximize their deductions.

Changes to other business credits, such as the research and development credit, can also impact tax planning strategies for businesses. It is important for business owners to stay up-to-date on these changes and work with their financial advisor or tax professional to develop a comprehensive tax strategy that takes advantage of all available credits and deductions while minimizing tax liability.

2025 Tax Planning Strategies

Tax Diversification

How having a mix of taxable, tax-deferred, and tax-free income sources can help minimize your taxes

Having a mix of taxable, tax-deferred and tax-free income sources can help minimize taxes in several ways:

- It allows flexibility in choosing which accounts to draw income from in any given year, depending on tax rates and personal circumstances.

For example: suppose tax rates are low in a particular year. In that case, it may be advantageous to withdraw from a tax-deferred account like a traditional IRA or 401(k) to take advantage of the low rate, while in a higher tax year, it may be more beneficial to withdraw from a tax-free account like a Roth IRA or HSA.

- It can provide a hedge against future tax rate increases. With a mix of taxable, tax-deferred and tax-free accounts, an individual can adjust their withdrawals based on future tax rates.

For example: suppose tax rates are expected to increase. In that case, it may be beneficial to withdraw from tax-free accounts like a Roth IRA to avoid paying higher taxes on traditional IRA or 401(k) withdrawals.

- Having a mix of income sources can help minimize taxes in retirement by allowing individuals to stay below certain income thresholds that trigger higher tax rates or the phaseout of certain deductions or credits. Working with a financial advisor to determine the appropriate mix of income sources based on individual circumstances and tax planning goals is essential.

Discussion of different tax diversification strategies, such as Roth IRA conversions and using a Health Savings Account (HSA)

Tax diversification is an important part of managing your finances and minimizing your taxes. One effective strategy is to have a mix of taxable, tax-deferred and tax-free income sources. This can help you minimize taxes in retirement by allowing you to choose which accounts to withdraw money from based on your tax situation each year.

One tax diversification strategy is to convert traditional IRA or 401(k) funds to a Roth IRA. A Roth IRA allows you to withdraw money tax-free in retirement, which can be a valuable source of tax-free income. By converting some of your traditional IRA or 401(k) funds to a Roth IRA, you can reduce the amount of taxable income you will have in retirement.

Another tax diversification strategy is to use a Health Savings Account (HSA) to save for medical expenses. HSAs offer a triple tax advantage: contributions are tax-deductible, earnings grow tax-free and withdrawals for qualified medical expenses are tax-free. By contributing to an HSA, you can reduce your taxable income in the year of the contribution and have a tax-free source of income in retirement for medical expenses.

It's important to note that Roth conversions and HSA contributions may not be appropriate for everyone, and there are certain limitations and rules to follow. It's recommended to speak with a financial advisor to determine if these strategies are right for you and to ensure they are implemented correctly.

Timing of Income and Deductions

How timing of income and deductions can impact tax liability

Timing of income and deductions can significantly impact your tax liability. If you expect your income to be higher in the current year compared to the next, it may be beneficial to accelerate income into the current year and defer deductions to the following year. This can help reduce your taxable income in the current year and potentially lower your tax liability.

On the other hand, if you expect your income to be lower in the current year compared to the next year, it may be beneficial to defer income to the following year and accelerate deductions into the current year. This can help reduce your taxable income the following year and potentially lower your tax liability.

There are several timing strategies that can be used to optimize your tax liability, including prepaying expenses, delaying billing and deferring bonuses. However, it's important to note that these strategies may not be appropriate for everyone and should be evaluated on a case-by-case basis.

Working with a financial advisor or tax professional can help you determine the best timing strategies for your specific situation and help you make informed decisions about your tax planning.

Explanation of strategies such as bunching deductions and delaying income to minimize taxes

Bunching deductions and delaying income are two strategies that can help reduce your tax liability by shifting the timing of when you receive income and when you make deductible payments.

Bunching deductions involves grouping expenses that you can itemize, such as charitable contributions or medical expenses, into a single year to exceed the standard deduction. By doing so, you may be able to itemize your deductions and reduce

your taxable income for that year. You can take the standard deduction in the following year and delay your itemized deductions until the next year.

Delaying income involves postponing receipt of income until a later year, which can help you stay in a lower tax bracket. For example, if you are due a bonus at the end of the year, you could negotiate to have it paid out in the following year. Similarly, if you are a freelancer or self-employed, you may be able to delay billing clients until the following year to reduce your taxable income for the current year.

It's important to note that the timing of income and deductions can be complex, and you should consult with a financial advisor or tax professional to determine the best strategy for your situation.

Roth Conversions

How Roth conversions work, potential tax benefits, and factors to consider when deciding whether to convert

Roth conversions can be a powerful tool for tax planning. In a Roth conversion, you move money from a traditional IRA or 401(k) account into a Roth account, paying taxes on the converted amount at the time of the conversion. The funds in the Roth account can grow tax-free and be withdrawn tax-free in retirement. There are several potential benefits of Roth conversions, including:

- Tax diversification: As mentioned earlier, having a mix of taxable, tax-deferred and tax-free income sources can help minimize taxes in retirement. Roth conversions can provide

a source of tax-free income in retirement, which can be particularly valuable if tax rates increase in the future.

- Lower future taxes: By paying taxes on the converted amount now, you may be able to avoid paying higher taxes on the same amount later. This can be especially valuable if you expect to be in a higher tax bracket in the future.
- More flexibility in retirement: Because Roth accounts do not have required minimum distributions (RMDs) during the owner's lifetime, you have more flexibility in when and how much you withdraw from your retirement accounts.

Factors to consider when deciding whether to do a Roth conversion include your current and future tax brackets, age, financial goals and overall financial situation. A financial advisor can help you determine whether a Roth conversion makes sense for you and can help you navigate the tax implications of the conversion.

Discussion of how Roth conversions can be used to minimize future taxes and create tax-free income in retirement

Roth conversions can be a powerful tool to minimize future taxes and create tax-free income in retirement. By converting traditional IRA or 401(k) assets into a Roth account, you can pay taxes now at your current tax rate, which may be lower than your future tax rate. This can be especially beneficial if you expect your income to increase.

Once the assets are in the Roth account, they grow tax-free and can be withdrawn tax-free in retirement. This can be a valuable source of tax-free income that can be used to supplement other sources of taxable income, such as Social Security or pensions. It's important to carefully consider the tax implications of a Roth conversion, as it will trigger a tax bill in the year of the conversion.

Factors to consider include your current tax bracket, your expected future tax bracket and your financial goals. Working with a financial advisor can help determine whether a Roth conversion makes sense for your unique situation and develop a comprehensive tax strategy that aligns with your financial goals.

Required Minimum Distributions (RMDs)

As you reach retirement age, it's important to understand the rules surrounding Required Minimum Distributions (RMDs). RMDs are minimum amounts that must be withdrawn from certain retirement accounts starting at age 72 or 73 if you reach age 72 after Dec. 31, 2022, with some exceptions for certain types of accounts.

The purpose of RMDs is to ensure that individuals with tax-deferred retirement accounts withdraw a certain amount each year and pay taxes on that income. If you fail to take your RMD, you may be subject to a steep penalty of up to 50% of the amount you were supposed to withdraw.

Therefore, it's essential to understand the rules and take your RMD on time. The amount of your RMD

is based on your age, life expectancy and account balance. You can calculate your RMD using the IRS Uniform Lifetime Table, which is based on life expectancy and determines the distribution period for your account. Alternatively, you can use the Joint and Last Survivor Table if your spouse is more than ten years younger than you and is the sole beneficiary of the account.

It's important to note that RMDs are subject to ordinary income taxes, so you should plan accordingly for the additional taxable income. You may also want to consider tax-efficient withdrawal strategies to minimize your tax liability. In some cases, you may be able to avoid taking an RMD by rolling over the funds to a Roth IRA, which does not require RMDs during the account owner's lifetime. However, this strategy involves paying taxes on the converted amount, so you should speak with a financial advisor to determine if it makes sense for your situation.


Understanding the rules surrounding RMDs is crucial for minimizing tax liability and avoiding costly penalties. Consult with a financial advisor to develop a plan that addresses your unique needs and goals.

Additional Tax Planning Strategies

Section 7702 of the Internal Revenue Code is a tax provision that governs the taxation of life insurance contracts. The section defines the criteria for a life insurance policy to qualify for tax-free treatment of death benefits and tax-deferred accumulation of cash value. One of the main benefits of utilizing Section 7702 is the potential for tax-free distributions in retirement.

Unlike traditional retirement accounts such as 401(k)s and IRAs, where distributions are generally taxable, distributions from a properly structured life insurance policy can be tax-free. To qualify for tax-free treatment under Section 7702, a life insurance policy must meet specific criteria, such as the amount of premiums paid and the death benefit amount. The policy must also pass certain tests, such as the Cash Value Accumulation Test (CVAT) and the Guideline Premium and Corridor Test (GPT).

The CVAT ensures that the policy's cash value does not exceed certain limits based on the amount of premiums paid, while the GPT ensures that the premiums paid do not exceed the maximum amount allowed to maintain tax-advantaged status. When structured properly, a life insurance policy can be a



powerful tool for tax planning, especially for high-income individuals who may be subject to higher tax rates in retirement.

However, it's important to note that life insurance policies also come with fees and expenses, and it's important to work with a financial advisor who understands the complexities of these policies before making any decisions. Overall, Section 7702 can be an advanced tax planning strategy for individuals looking to maximize tax-free distributions in retirement while also providing a death benefit for their beneficiaries.

Tax Deductions and Credits

Overview of different tax deductions and credits that can help lower tax liability, including charitable contributions, mortgage interest and education expenses. Tax deductions and credits can help lower your tax liability by reducing your taxable income or providing a credit against taxes owed. Some common deductions and credits include:

- Charitable contributions: Donations to qualified charitable organizations can be deducted from your taxable income, reducing your tax liability. The 2025 tax law allows a

deduction of up to 60% of your adjusted gross income for charitable contributions.

In some cases, other rules and limits may apply.

- **Mortgage interest:** If you have a mortgage on your primary residence, you can deduct the interest paid on the loan from your taxable income. This can be a significant deduction, especially in the early years of your mortgage when interest payments are high.
- **Education expenses:** If you or your dependents are pursuing higher education, you may be able to claim tax credits or deductions for tuition, fees and other related expenses.
- **Retirement contributions:** Contributions to retirement accounts such as 401(k)s, IRAs and HSAs can reduce your taxable income and lower your tax liability. In 2025, individuals can contribute up to \$23,500 to their 401(k) plans, and individuals over 50 can make catch-up contributions of up to \$7,500.
- **Child tax credit:** The child tax credit provides a credit of up to \$2,000 per qualifying child under the age of 17. In some cases, in 2025, up to \$1,700 of this credit is refundable. The

credit is refundable, meaning it can reduce your tax liability even if you do not owe taxes. It's important to note that some deductions and credits have income limitations, phaseouts or other restrictions, so it's essential to consult with a tax professional to determine which deductions and credits apply to your specific situation.

How tax deductions and credits can be used in combination to maximize tax savings

Tax deductions and credits can be combined to help lower your tax liability. For example, if you make charitable contributions to a qualified organization, you may be able to deduct the amount on your tax return. In addition, if you have educational expenses, you may be able to claim the American Opportunity Tax Credit, which provides a credit of up to \$2,500 per eligible student.

By strategically using these deductions and credits, you may be able to maximize your tax savings. For example, you may choose to bunch your charitable contributions every other year to maximize your itemized deductions in that year while taking the standard deduction in the other years. Additionally,

suppose you have educational expenses in a particular year. In that case, you may want to take advantage of the tax credit that year rather than spreading out the expenses over multiple years.

It's important to note that tax laws and regulations are complex, and it can be challenging to navigate all available options. That's why working with a financial advisor or tax professional is a good idea to help you develop a comprehensive tax strategy that addresses your unique needs and goals. They can help you identify the deductions and credits that are most relevant to your situation and develop a plan to maximize your tax savings

The Role of Financial Advisors in Tax Planning

How financial advisors can help you develop a comprehensive tax strategy that addresses your unique needs and goals

Working with a financial advisor can be beneficial in developing a comprehensive tax strategy that can address your specific needs and goals. A financial advisor can help you navigate the complex tax

landscape and identify opportunities to minimize your tax liability while optimizing your financial goals.

One of the main benefits of working with a financial advisor is their ability to provide personalized advice that considers your financial situation. They can help you determine which tax diversification strategies best suit you, given your income level, tax bracket and long-term financial goals.

Additionally, financial advisors can help you stay updated on changes to the tax code and adjust your strategy accordingly. They can also help you with tax planning throughout the year instead of just during tax season.

Having a financial advisor can help you make informed decisions and take advantage of tax-saving opportunities to minimize your tax liability and optimize your financial well-being.

How financial advisors can help you navigate complex tax laws and regulations to minimize taxes and avoid costly mistakes

Financial advisors can help you navigate the complex and ever-changing tax laws and regulations to minimize your taxes and avoid costly mistakes. They have a deep understanding of the tax code and

can help you identify tax planning opportunities you may not know.

For example, a financial advisor can help you identify tax deductions and credits you may be eligible for and help you strategize ways to maximize those benefits. They can also help you develop a tax diversification strategy that balances your taxable, tax-deferred and tax-free income sources, taking into account your current and future tax rates.

Moreover, financial advisors can help you make informed decisions about whether to convert to a Roth IRA and when to time income and deductions. They can help you understand the tax implications of various financial decisions and develop a comprehensive tax strategy that addresses your unique needs and goals.

Working with a financial advisor can help you save money on taxes, maximize your wealth and ensure that you are making informed financial decisions that align with your long-term goals.

In Conclusion

Tax planning is an ongoing process that requires careful consideration of tax laws and regulations.

If you want to minimize your taxes and develop a comprehensive tax strategy, working with a qualified financial advisor is essential.

If you're looking to minimize your taxes and develop a comprehensive tax strategy, it's essential to work with a qualified financial advisor. They can help you navigate the complex tax laws and regulations, identify potential tax savings opportunities and develop a personalized plan that addresses your unique needs and goals.

Don't let taxes eat into your hard-earned money. Contact a financial advisor today to start developing your tax strategy and set yourself up for long-term financial success.



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