

## **Smarter Bear - 6 things to review as we enter 2024**

Several tax related rules changed in 2024 - it's worth reviewing your situation to see if updates to your plan and choices could be beneficial.

1. The amount that can be deferred into your employer sponsored qualified plan (401k, 403b, 457) for 2024 has increased from \$22,500 to \$23,000. The additional catch up contribution if you are 50 or over remains at \$7,500.
2. The limits for contributions to IRAs increased from \$6,500 to \$7,000. The additional catch up contribution if you are 50 or over remains at \$1,000.
3. The income limits for eligibility to contribute to traditional IRAs, Roth IRAs and the Savers credit all increased. A nice summary from the IRS is [here](#).
4. Tax brackets and the standard deduction have both been increased due to inflation adjustment - it's a good time to check your pay stub and/or planned estimated payments to make sure you are not under (potential tax bill and penalty) or over (giving the government an interest free loan) withholding.
5. The inflation Reduction Act added and increased incentives for homeowners to make their homes more energy efficient. This includes installing solar and heat pumps as well as improving the insulation/windows/doors. Buying an EV and installing a home charger can also make you eligible for rebates. A nice summary is [here](#).
6. If you have gifting plans - the annual per person gift tax exclusion increased from \$17,000 to \$18,000.

Not a review item, but be sure to start collecting documents required by your tax preparer for 2023 taxes. This might include: W2s, 1099s, 1098s, expense receipts, charitable donation receipts, medical expense receipts, K1s, mortgage interest social security documents.

There are actions you can take during 2024 to potentially reduce tax liability when filing your 2024 taxes. Smarter Bear is always available for a no cost initial consultation to answer questions and discuss whether our services can help with your needs. We also offer no cost second opinions for people that are DIY or working with another investment or financial advisor.

None of the above is intended as a substitute for tax or legal advice. Your personal situation will determine what's best for you and we recommend that you consult with an appropriate professional advisor..