



---

# TAX STRATEGIES AND IMPLEMENTATION FOR FINANCIAL PLANNERS

The logo consists of three white, curved, overlapping bands on a red background, resembling a stylized 'S' or a wave.

## Learning Objectives

1. Review current and upcoming tax regulations for financial planners
2. Review basic tax planning strategies for entrepreneurs and wealthy individuals
3. Review passthrough entity structures and how they can be utilized in proper tax planning
4. Identify how passthrough entity income and deductions are reported on individual tax returns



# Relevant Current Tax Rules

- Capital gains and dividends preferred tax rates
- Net Investment Income Tax
- Roth and Mega Roth Conversions



# Upcoming Changes

- Not many new law additions for 2024
- Expanded clean energy credits
  - Electric vehicles
  - Home improvements
- 529 to Roth funding
- Tax Cuts and Jobs Act of 2017 Sunset Provisions



# Electric Vehicle Credit

- Maximum credit of \$7,500
- Amount of the credit dependent on battery capacity, critical mineral requirements, and battery component requirements.
- Adjusted Gross Income of the buyer may not exceed \$300k for joint filers, \$225k for head of household, and \$150k for all other filers
- May claim the credit as a reduction of the purchase price when purchased. Dealer will submit for a reimbursement of the credit
- Certain used vehicles qualify



# Home Improvement Energy Credit

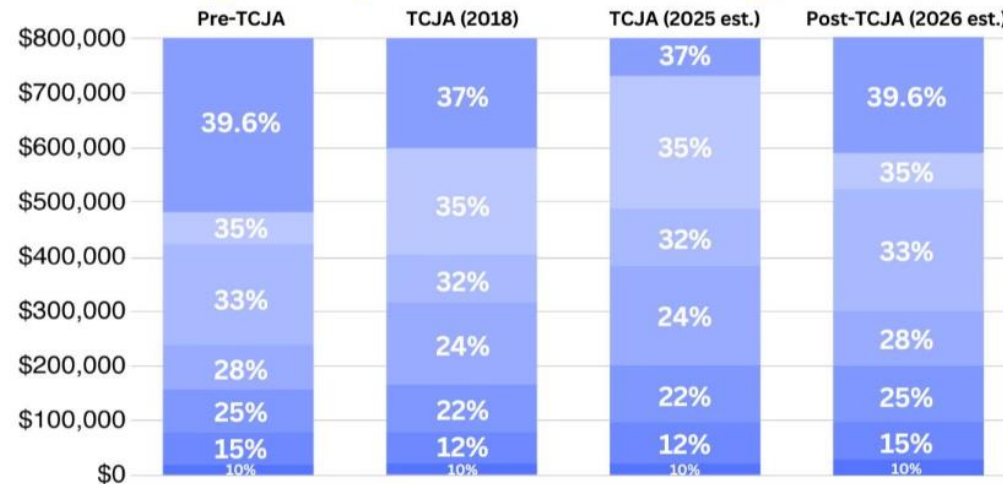
- Energy Efficient Home Improvement Credit
  - Expenditures for doors, windows, skylights, insulation, central A/C & heat, water heaters, etc.
  - Credit is 30% of the cost up to \$1,200 limit per year for most improvements. No lifetime limits
- Residential Clean Energy Credit
  - Solar, wind and geothermal power generation, solar water heaters, fuel cells, and battery storage
  - Credit is 30%. No annual or lifetime limit



# Tax Cuts and Jobs Act of 2017 (TCJA)

- Why is this relevant?
- Marginal Tax Rates return to 2017 levels in 2026

**Married Filing Jointly Tax Brackets Throughout the Years**



Source: Manning-Napier.com, January 6, 2023



## TCJA (Cont.)

- Standard deduction reverts to pre-TCJA levels
- Personal exemptions return in 2026
- State and Local Tax (SALT) deduction limit of \$10k will expire in 2026
- Mortgage interest limit of \$750k returns to pre-TCJA levels of \$1M plus \$100k HELOC limits in 2026
- Miscellaneous itemized deductions (2% deductions) return in 2026
- Charitable deductions reduce from 60% to 50% of AGI in 2026
- Pease limitation will return in 2026 (dollar amount)





## TCJA (Cont.)

- Child tax credit is cut in half to \$1k per child
- Alternative Minimum Tax exemption returns to previous levels in 2026
- Estate and Gift Tax Exemption sunsets after 2025 bringing the level back to \$5M adjusted for inflation
- Meals deduction returned to 50% for 2023
- Qualified Business Income deduction is eliminated in 2026
- Bonus depreciation phase out started in 2023 and will continue until it reaches zero in 2027 (Currently 60% for 2024)
- Corporate tax rate of 21% is one of the few provisions not set to expire



# S Corporation Overview

- Legal structure (Inc, LLC, LP)
- Election by 75 days from start of tax year
- What is considered different class of stock?
- Fewer than 100 owners
- Owners must be resident individuals with some exceptions
  - Certain trusts (ESBT and QSST)
  - Disregarded entities where the ultimate owner is qualified
- Must pay reasonable salary
- Types of businesses that can benefit and when
- Types of businesses to avoid



# Partnership Taxation Overview

- Legal structure (LLC, LP, GP, JV)
- Flexibility in disbursements and income allocations
- Partner Guaranteed Payments
- Self Employment tax for owners
- Types of businesses that can benefit
- Types of businesses to avoid
- Taxation of Series LLC



# Common Entity Tax Planning Strategies

- S Corporations
- Retirement Plans



# Back to S Corporations

- Potential Tax Savings
  - Gross savings is the amount of net income allocated to the shareholder on Schedule K-1 times the effective self employment or payroll rate
  - Social Security annual limit for 2024 is \$168,600
  - Social Security rate is 6.2% for each employee and employer up to the annual limit
  - Medicare rate is 1.45% for each employee and employer plus .9% for the employee if compensation exceeds \$250k for married joint taxpayers
- Don't forget about the costs
  - Payroll fees
  - Tax preparation fees
  - Time and energy managing the entity
- Other considerations – retirement plan contribution limits



# Back to S Corporations (Cont.)

- Example 1: Tom owns 100% of a closely held business. He is considering electing that his business be taxed as an S Corporation. He is estimating his net income for 2024 to be \$600k. If he decided to be taxed as an S Corporation and determined his salary to be \$250k what are his potential gross tax savings?

\$13,300

$$\$600\text{k} - \$250\text{k} = \$350\text{k} * 3.8\% = \$13,300$$



## Back to S Corporations (Cont.)

- Example 2: Tom owns 100% of a closely held business. He is considering electing that his business be taxed as an S Corporation. He is estimating his net income for 2024 to be \$150k. If he decided to be taxed as an S Corporation and determined his salary to be \$60k what are his potential gross tax savings?

\$13,770

$\$150\text{k} - \$60\text{k} = \$90\text{k} * 15.3\% = \$13,770$



# Back to S Corporations (Cont.)

- Compensation and Distributions on the tax forms

Form **1120-S** U.S. Income Tax Return for an S Corporation OMB No. 1545-0123  
 Department of the Treasury Internal Revenue Service  
 Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.  
 For calendar year 2023 or tax year beginning 2023, ending 2023

**A** S election effective date:  None  Yes  No

**B** Business activity code number (see instructions):  None  Yes  No

**C** Check if Sch. M-3 attached:  Yes  No

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions.  Yes  No

**H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year: \_\_\_\_\_

**J** Check if corporation: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

<b>1a</b> Gross receipts or sales	<b>b</b> Less returns and allowances	<b>c</b> Balance	<b>1c</b>
<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2</b>
<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>
<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797)			<b>4</b>
<b>5</b> Other income (loss) (see instructions—attach statement)			<b>5</b>
<b>6</b> Total income (loss). Add lines 3 through 5			<b>6</b>
<b>7</b> Compensation of officers (see instructions—attach Form 1125-E)			<b>7</b>
<b>8</b> Salaries and wages (less employment credits)			<b>8</b>
<b>9</b> Repairs and maintenance			<b>9</b>
<b>10</b> Bad debts			<b>10</b>
<b>11</b> Rents			<b>11</b>
<b>12</b> Taxes and licenses			<b>12</b>
<b>13</b> Interest (see instructions)			<b>13</b>
<b>14</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>14</b>
<b>15</b> Depletion (Do not deduct oil and gas depletion.)			<b>15</b>
<b>16</b> Advertising			<b>16</b>
<b>17</b> Pension, profit-sharing, etc., plans			<b>17</b>
<b>18</b> Employee benefit programs			<b>18</b>
<b>19</b> Energy efficient commercial buildings deduction (attach Form 7205)			<b>19</b>
<b>20</b> Other deductions (attach statement)			<b>20</b>
<b>21</b> Total deductions. Add lines 7 through 20			<b>21</b>
<b>22</b> Ordinary business income (loss). Subtract line 21 from line 6			<b>22</b>
<b>23a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>23a</b>		<b>23c</b>
<b>b</b> Tax from Schedule D (Form 1120-S)	<b>23b</b>		
<b>c</b> Add lines 23a and 23b (see instructions for additional taxes)			
<b>24a</b> Current year's estimated tax payments and preceding year's overpayment credited to the current year	<b>24a</b>		<b>24z</b>
<b>b</b> Tax deposited with Form 7004	<b>24b</b>		
<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>24c</b>		
<b>d</b> Elective payment election amount from Form 3800	<b>24d</b>		
<b>z</b> Add lines 24a through 24d			
<b>25</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached		<input type="checkbox"/>	<b>25</b>
<b>26</b> Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed			<b>26</b>
<b>27</b> Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid			<b>27</b>
<b>28</b> Enter amount from line 27: Credited to 2024 estimated tax Refunded			<b>28</b>

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Print/Type preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Firm's name: \_\_\_\_\_ Firm's address: \_\_\_\_\_ Phone no.: \_\_\_\_\_

Firm's EIN: \_\_\_\_\_

Check  if self-employed  if PTIN

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form 1120-S (2023)

Form 1120-S (2023) Page 3

**Schedule B Other Information (see instructions) (continued)**

<b>12</b> During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$	Yes	No
<b>13</b> During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		
<b>14a</b> Did the corporation make any payments in 2023 that would require it to file Form(s) 1099?		
<b>b</b> If "Yes," did or will the corporation file required Form(s) 1099?		
<b>15</b> Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 \$		
<b>16</b> At any time during the tax year, did the corporation: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? See instructions		

**Schedule K Shareholders' Pro Rata Share Items**

	Total amount
<b>1</b> Ordinary business income (loss) (page 1, line 22)	<b>1</b>
<b>2</b> Net rental real estate income (loss) (attach Form 8825)	<b>2</b>
<b>3a</b> Other gross rental income (loss)	<b>3a</b>
<b>b</b> Expenses from other rental activities (attach statement)	<b>3b</b>
<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>
<b>4</b> Interest income	<b>4</b>
<b>5</b> Dividends: <b>a</b> Ordinary dividends <b>5a</b>	
<b>b</b> Qualified dividends <b>5b</b>	
<b>6</b> Royalties	<b>6</b>
<b>7</b> Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	<b>7</b>
<b>8a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	<b>8a</b>
<b>b</b> Collectibles (28%) gain (loss)	<b>8b</b>
<b>c</b> Unrecaptured section 1250 gain (attach statement)	<b>8c</b>
<b>9</b> Net section 1231 gain (loss) (attach Form 4797)	<b>9</b>
<b>10</b> Other income (loss) (see instructions) Type: _____	<b>10</b>
<b>11</b> Section 179 deduction (attach Form 4562)	<b>11</b>
<b>12a</b> Charitable contributions	<b>12a</b>
<b>b</b> Investment interest expense	<b>12b</b>
<b>c</b> Section 59(e)(2) expenditures Type: _____	<b>12c</b>
<b>d</b> Other deductions (see instructions) Type: _____	<b>12d</b>
<b>13a</b> Low-income housing credit (section 42(i)(5))	<b>13a</b>
<b>b</b> Low-income housing credit (other)	<b>13b</b>
<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	<b>13c</b>
<b>d</b> Other rental real estate credits (see instructions) Type: _____	<b>13d</b>
<b>e</b> Other rental credits (see instructions) Type: _____	<b>13e</b>
<b>f</b> Biofuel producer credit (attach Form 6478)	<b>13f</b>
<b>g</b> Other credits (see instructions) Type: _____	<b>13g</b>
<b>14</b> Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance <input type="checkbox"/>	
<b>15a</b> Post-1986 depreciation adjustment	<b>15a</b>
<b>b</b> Adjusted gain or loss	<b>15b</b>
<b>c</b> Depletion (other than oil and gas)	<b>15c</b>
<b>d</b> Oil, gas, and geothermal properties—gross income	<b>15d</b>
<b>e</b> Oil, gas, and geothermal properties—deductions	<b>15e</b>
<b>f</b> Other AMT items (attach statement)	<b>15f</b>
<b>16a</b> Tax-exempt interest income	<b>16a</b>
<b>b</b> Other tax-exempt income	<b>16b</b>
<b>c</b> Nondeductible expenses	<b>16c</b>
<b>d</b> Distributions (attach statement if required) (see instructions)	<b>16d</b>
<b>e</b> Repayment of loans from shareholders	<b>16e</b>
<b>f</b> Foreign taxes paid or accrued	<b>16f</b>

Form 1120-S (2023)





# Retirement Plans

- Defined Contribution Plans
  - Typically 401(k), SIMPLE IRA, SEP IRA
  - Designated contribution amounts
  - 401(k) employee deferral limit is \$23k and total contribution limit is \$69k for 2024
  - What type of plan is best from a tax standpoint
- Defined Benefit Plans
  - Typically Cash Balance Plan
  - Designated benefit amounts
  - When is this type of plan best to use from a tax standpoint



# Retirement Plans (cont.)

**Form 1065 U.S. Return of Partnership Income** OMB No. 1545-0123  
For calendar year 2023, or tax year beginning 2023, ending 2023  
Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

**A** Principal business activity: Name of partnership  
**B** Principal product or service: Type or Print, Number, street, and room or suite no. If a P.O. box, see instructions.  
**C** Business code number: City or town, state or province, country, and ZIP or foreign postal code  
**D** Employer identification number  
**E** Date business started  
**F** Total assets (see instructions)

**G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return  
**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify):  
**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year:  
**J** Check if Schedules C and M-3 are attached:   
**K** Check if partnership: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 23 below. See instructions for more information.

	1a	b	c	1c
<b>Income</b>	Gross receipts or sales	Less returns and allowances	Balance	
1				
2	Cost of goods sold (attach Form 1125-A)			
3	Gross profit. Subtract line 2 from line 1c			
4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			
5	Net farm profit (loss) (attach Schedule F (Form 1040))			
6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			
7	Other income (loss) (attach statement)			
8	<b>Total income (loss).</b> Combine lines 3 through 7			
<b>Deductions</b> (see instructions for limitations)				
9	Salaries and wages (other than to partners) (less employment credits)			
10	Guaranteed payments to partners			
11	Repairs and maintenance			
12	Bad debts			
13	Rent			
14	Taxes and licenses			
15	Interest (see instructions)			
16a	Depreciation (if required, attach Form 4562)	16a		
16b	Less depreciation reported on Form 1125-A and elsewhere on return	16b		
16c				
17	Depletion (Do not deduct oil and gas depletion.)			
18	Retirement plans, etc.			
19	Employee benefit programs			
20	Energy efficient commercial buildings deduction (attach Form 7205)			
21	Other deductions (attach statement)			
22	<b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 21			
23	<b>Ordinary business income (loss).</b> Subtract line 22 from line 8			
<b>Tax and Payment</b>				
24	Interest due under the look-back method—completed long-term contracts (attach Form 8697)			
25	Interest due under the look-back method—income forecast method (attach Form 8866)			
26	BBA AAR imputed underpayment (see instructions)			
27	Other taxes (see instructions)			
28	<b>Total balance due.</b> Add lines 24 through 27			
29	Elective payment election amount from Form 3800			
30	Payment (see instructions)			
31	<b>Amount owed.</b> If the sum of line 29 and line 30 is smaller than line 28, enter amount owed			
32	<b>Overpayment.</b> If the sum of line 29 and line 30 is larger than line 28, enter overpayment			

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.  
Signature of partner or limited liability company member Date  
May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

**Paid Preparer Use Only**  
Print/Type preparer's name Preparer's signature Date Check  if self-employed PTIN  
Firm's name Firm's EIN  
Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11390Z Form 1065 (2023)

**Form 1120-S U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123  
Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2023 or tax year beginning 2023, ending 2023  
**A** S election effective date  
**B** Business activity code number (see instructions)  
**C** Check if Sch. M-3 attached   
**D** Employer identification number  
**E** Date incorporated  
**F** Total assets (see instructions)

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions.  Yes  No  
**H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination  
**I** Enter the number of shareholders who were shareholders during any part of the tax year  
**J** Check if corporation: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

	1a	b	c	1c
<b>Income</b>	Gross receipts or sales	Less returns and allowances	Balance	
1				
2	Cost of goods sold (attach Form 1125-A)			
3	Gross profit. Subtract line 2 from line 1c			
4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)			
5	Other income (loss) (see instructions—attach statement)			
6	<b>Total income (loss).</b> Add lines 3 through 5			
<b>Deductions</b> (see instructions for limitations)				
7	Compensation of officers (see instructions—attach Form 1125-E)			
8	Salaries and wages (less employment credits)			
9	Repairs and maintenance			
10	Bad debts			
11	Rents			
12	Taxes and licenses			
13	Interest (see instructions)			
14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			
15	Depletion (Do not deduct oil and gas depletion.)			
16	Advertising			
17	Pension, profit-sharing, etc., plans			
18	Employee benefit programs			
19	Energy efficient commercial buildings deduction (attach Form 7205)			
20	Other deductions (attach statement)			
21	<b>Total deductions.</b> Add lines 7 through 20			
22	<b>Ordinary business income (loss).</b> Subtract line 21 from line 6			
<b>Tax and Payments</b>				
23a	Excess net passive income or LIFO recapture tax (see instructions)	23a		
23b	Tax from Schedule D (Form 1120-S)	23b		
23c	Add lines 23a and 23b (see instructions for additional taxes)		23c	
24a	Current year's estimated tax payments and preceding year's overpayment credited to the current year	24a		
24b	Tax deposited with Form 7004	24b		
24c	Credit for federal tax paid on fuels (attach Form 4136)	24c		
24d	Elective payment election amount from Form 3800	24d		
24z	Add lines 24a through 24d			24z
25	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			25
26	<b>Amount owed.</b> If line 24z is smaller than the total of lines 23c and 25, enter amount owed			26
27	<b>Overpayment.</b> If line 24z is larger than the total of lines 23c and 25, enter amount overpaid			27
28	Enter amount from line 27: Credited to 2024 estimated tax Refunded			28

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
Signature of officer Date Title  
May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

**Paid Preparer Use Only**  
Print/Type preparer's name Preparer's signature Date Check  if self-employed PTIN  
Firm's name Firm's EIN  
Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form 1120-S (2023)



# Retirement Plans (cont.)

Schedule K-1 (Form 1065) 2023

Department of the Treasury Internal Revenue Service

For calendar year 2023, or tax year beginning / / 2023 ending / /

**Partner's Share of Income, Deductions, Credits, etc.**

**Part I Information About the Partnership**

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

C IRS center where partnership filed return:

D  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

G  General partner or LLC member-manager  Limited partner or other LLC member

H1  Domestic partner  Foreign partner

H2  If the partner is a disregarded entity (DE), enter the partner's: TIN \_\_\_\_\_ Name \_\_\_\_\_

I1 What type of entity is this partner?

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	%	%
Loss	%	%
Capital	%	%

Check if decrease is due to:  
 Sale or  Exchange of partnership interest. See instructions.

K1 Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

K2 Check this box if item K1 includes liability amounts from lower-tier partnerships

K3 Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions

**Partner's Capital Account Analysis**

Beginning capital account	\$
Capital contributed during the year	\$
Current year net income (loss)	\$
Other increase (decrease) (attach explanation)	\$
Withdrawals and distributions	\$
Ending capital account	\$

M Did the partner contribute property with a built-in gain (loss)?  
 Yes  No If "Yes," attach statement. See instructions.

N **Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$
Ending	\$

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	14 Self-employment earnings (loss)
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	15 Credits
4a Guaranteed payments for services	
4b Guaranteed payments for capital	16 Schedule K-3 is attached if checked <input type="checkbox"/>
4c Total guaranteed payments	17 Alternative minimum tax (AMT) items
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	18 Tax-exempt income and nondeductible expenses
6c Dividend equivalents	
7 Royalties	
8 Net short-term capital gain (loss)	19 Distributions
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	20 Other information
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions R Pensions & IRA's	
22 <input type="checkbox"/> More than one activity for at-risk purposes*	
23 <input type="checkbox"/> More than one activity for passive activity purposes*	

\*See attached statement for additional information.

For IRS Use Only

OMB No. 1545-0123

Final K-1 Amended K-1

For Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/Form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2023

Schedule 1 (Form 1040) 2023 Page 2

**Part II Adjustments to Income**

11 Educator expenses	11
12 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	12
13 Health savings account deduction. Attach Form 8889	13
14 Moving expenses for members of the Armed Forces. Attach Form 3903	14
15 Deductible part of self-employment tax. Attach Schedule SE	15
16 Self-employed SEP, SIMPLE, and qualified plans	16
17 Self-employed health insurance deduction	17
18 Penalty on early withdrawal of savings	18
19a Alimony paid	19a
b Recipient's SSN	
c Date of original divorce or separation agreement (see instructions):	
20 IRA deduction	20
21 Student loan interest deduction	21
22 Reserved for future use	22
23 Archer MSA deduction	23
24 Other adjustments:	
a Jury duty pay (see instructions)	24a
b Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	24b
c Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	24c
d Reforestation amortization and expenses	24d
e Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e
f Contributions to section 501(c)(18)(D) pension plans	24f
g Contributions by certain chaplains to section 403(b) plans	24g
h Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h
i Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i
j Housing deduction from Form 2555	24j
k Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k
z Other adjustments. List type and amount:	24z
25 Total other adjustments. Add lines 24a through 24z	25
26 Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10	26

Schedule 1 (Form 1040) 2023



# What about C Corporations?

- Legal Structure (Typically Inc, but can be LLC, LP)
- Tax saving provisions
  - Medical plans
  - Relatively low tax rate of 21%
- S Corporation conversion issues
  - Built in Gains
  - Accumulated Earnings & Profits
- Types of businesses that can benefit
- Types of businesses to avoid



# Personal Tax Considerations – Schedule C

- Business use of home
- Owner health insurance deduction
- Owner retirement plan deduction

# Personal Tax Considerations – Schedule C

**SCHEDULE C (Form 1040) Profit or Loss From Business (Sole Proprietorship)**

OMB No. 1545-0074  
2023  
Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service  
Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to [www.irs.gov/ScheduleC](http://www.irs.gov/ScheduleC) for instructions and the latest information.

Name of proprietor: \_\_\_\_\_ Social security number (SSN): \_\_\_\_\_

**A** Principal business or profession, including product or service (see instructions): \_\_\_\_\_ **B** Enter code from instructions: \_\_\_\_\_

**C** Business name, if no separate business name, leave blank. \_\_\_\_\_ **D** Employer ID number (EIN) (see instr.): \_\_\_\_\_

**E** Business address (including suite or room no.), city, town or post office, state, and ZIP code: \_\_\_\_\_

**F** Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) \_\_\_\_\_

**G** Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on losses  Yes  No

**H** If you started or acquired this business during 2023, check here  Yes  No

**I** Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions  Yes  No

**J** If "Yes," did you or will you file required Form(s) 1099?  Yes  No

**Part I Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked  1

2 Returns and allowances 2

3 Subtract line 2 from line 1 3

4 Cost of goods sold (from line 42) 4

5 Gross profit. Subtract line 4 from line 3 5

6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) 6

7 Gross income. Add lines 5 and 6 7

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

8 Advertising 8

9 Car and truck expenses (see instructions) 9

10 Commissions and fees 10

11 Contract labor (see instructions) 11

12 Depreciation 12

13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) 13

14 Employee benefit programs (other than on line 19) 14

15 Insurance (other than health) 15

16 Interest (see instructions):  
a Mortgage (paid to banks, etc.) 16a  
b Other 16b

17 Legal and professional services 17

18 Office expense (see instructions) 18

19 Pension and profit-sharing plans 19

20 Rent or lease (see instructions):  
a Vehicles, machinery, and equipment 20a  
b Other business property 20b

21 Repairs and maintenance 21

22 Supplies (not included in Part III) 22

23 Taxes and licenses 23

24 Travel and meals:  
a Travel 24a  
b Deductible meals (see instructions) 24b

25 Utilities 25

26 Wages (less employment credits) 26

27a Other expenses (from line 48) 27a  
b Energy efficient commercial bldgs deduction (attach Form 7203) 27b

28 Total expenses before expenses for business use of home. Add lines 8 through 27b 28

29 Tentative profit or (loss). Subtract line 28 from line 7 29

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.  
Simplified method filers only: Enter the total square footage of (a) your home: \_\_\_\_\_ and (b) the part of your home used for business: \_\_\_\_\_ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 30

31 Net profit or (loss). Subtract line 30 from line 29.  
• If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. If you checked the box on line 1, see instructions.) Estates and trusts, enter on Form 1041, line 3.  
• If a loss, you must go to line 32.  
• If you have a loss, check the box that describes your investment in this activity. See instructions.  
• If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3.  
• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a  All investment is at risk.  
32b  Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2023

**SCHEDULE 1 (Form 1040) Additional Income and Adjustments to Income**

OMB No. 1545-0074  
2023  
Attachment Sequence No. 01

Department of the Treasury Internal Revenue Service  
Attach to Form 1040, 1040-SR, or 1040-NR. Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR: \_\_\_\_\_ Your social security number: \_\_\_\_\_

**Part I Additional Income**

1 Taxable refunds, credits, or offsets of state and local income taxes 1

2a Alimony received 2a

b Date of original divorce or separation agreement (see instructions): \_\_\_\_\_

3 Business income or (loss). Attach Schedule C 3

4 Other gains or (losses). Attach Form 4797 4

5 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 5

6 Farm income or (loss). Attach Schedule F 6

7 Unemployment compensation 7

8 Other income:  
a Net operating loss 8a  
b Gambling 8b  
c Cancellation of debt 8c  
d Foreign earned income exclusion from Form 2555 8d  
e Income from Form 8853 8e  
f Income from Form 8889 8f  
g Alaska Permanent Fund dividends 8g  
h Jury duty pay 8h  
i Prizes and awards 8i  
j Activity not engaged in for profit income 8j  
k Stock options 8k

l Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property 8l

m Olympic and Paralympic medals and USOC prize money (see instructions) 8m

n Section 951(a) inclusion (see instructions) 8n

o Section 951A(a) inclusion (see instructions) 8o

p Section 461(l) excess business loss adjustment 8p

q Taxable distributions from an ABL account (see instructions) 8q

r Scholarship and fellowship grants not reported on Form W-2 8r

s Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d 8s

t Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan 8t

u Wages earned while incarcerated 8u

z Other income. List type and amount: \_\_\_\_\_ 8z

9 Total other income. Add lines 8a through 8z 9

10 Combine lines 1 through 7 and 9. This is your additional income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 10

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2023

Schedule 1 (Form 1040) 2023 Page 2

**Part II Adjustments to Income**

11 Educator expenses 11

12 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 12

13 Health savings account deduction. Attach Form 8889 13

14 Moving expenses for members of the Armed Forces. Attach Form 3903 14

15 Deductible part of self-employment tax. Attach Schedule SE 15

16 Self-employed SEP, SIMPLE, and qualified plans 16

17 Self-employed health insurance deduction 17

18 Penalty on early withdrawal of savings 18

19a Alimony paid 19a  
b Recipient's SSN \_\_\_\_\_  
c Date of original divorce or separation agreement (see instructions): \_\_\_\_\_

20 IRA deduction 20

21 Student loan interest deduction 21

22 Reserved for future use 22

23 Archer MSA deduction 23

24 Other adjustments:  
a Jury duty pay (see instructions) 24a  
b Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit 24b  
c Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m 24c  
d Reforestation amortization and expenses 24d  
e Repayment of supplemental unemployment benefits under the Trade Act of 1974 24e  
f Contributions to section 501(c)(18)(D) pension plans 24f  
g Contributions by certain chaplains to section 403(b) plans 24g  
h Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions) 24h  
i Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations 24i  
j Housing deduction from Form 2555 24j  
k Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041) 24k  
z Other adjustments. List type and amount: \_\_\_\_\_ 24z

25 Total other adjustments. Add lines 24a through 24z 25

26 Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10 26

Schedule 1 (Form 1040) 2023



# Personal Tax Considerations – Schedule E

- Self Rentals
- Vacation/Short Term Rentals
  - Reporting
  - Planning opportunities
- Cost segregation of rental assets



# Personal Tax Considerations – Schedule E

**SCHEDULE E (Form 1040) Supplemental Income and Loss**  
 (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)  
 OMB No. 1545-0074  
 2023 Attachment Sequence No. 13  
 Department of the Treasury Internal Revenue Service  
 Attach to Form 1040, 1040-SR, 1040-NR, or 1041.  
 Go to [www.irs.gov/ScheduleE](http://www.irs.gov/ScheduleE) for instructions and the latest information.

Name(s) shown on return \_\_\_\_\_ Your social security number \_\_\_\_\_

**Part I Income or Loss From Rental Real Estate and Royalties**  
 Note: If you are in the business of renting personal property, use Schedule C. See instructions. If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions . . . . .  Yes  No  
 B If "Yes," did you or will you file required Form(s) 1099? . . . . .  Yes  No

1a Physical address of each property (street, city, state, ZIP code)  
 A \_\_\_\_\_  
 B \_\_\_\_\_  
 C \_\_\_\_\_

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A		A		<input type="checkbox"/>
B		B		<input type="checkbox"/>
C		C		<input type="checkbox"/>

Type of Property:  
 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental  
 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe) \_\_\_\_\_

Income:	Properties:		
	A	B	C
3 Rents received . . . . .	3		
4 Royalties received . . . . .	4		
<b>Expenses:</b>			
5 Advertising . . . . .	5		
6 Auto and travel (see instructions) . . . . .	6		
7 Cleaning and maintenance . . . . .	7		
8 Commissions . . . . .	8		
9 Insurance . . . . .	9		
10 Legal and other professional fees . . . . .	10		
11 Management fees . . . . .	11		
12 Mortgage interest paid to banks, etc. (see instructions) . . . . .	12		
13 Other interest . . . . .	13		
14 Repairs . . . . .	14		
15 Supplies . . . . .	15		
16 Taxes . . . . .	16		
17 Utilities . . . . .	17		
18 Depreciation expense or depletion . . . . .	18		
19 Other (list) . . . . .	19		
20 Total expenses. Add lines 5 through 19 . . . . .	20		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a loss, see instructions to find out if you must file Form 6198 . . . . .	21		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions) . . . . .	22		
23a Total of all amounts reported on line 3 for all rental properties . . . . .	23a		
23b Total of all amounts reported on line 4 for all royalty properties . . . . .	23b		
23c Total of all amounts reported on line 12 for all properties . . . . .	23c		
23d Total of all amounts reported on line 18 for all properties . . . . .	23d		
23e Total of all amounts reported on line 20 for all properties . . . . .	23e		
24 Income. Add positive amounts shown on line 21. Do not include any losses . . . . .	24		
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here . . . . .	25		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, and IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	26		

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11344L Schedule E (Form 1040) 2023

**SCHEDULE 1 (Form 1040) Additional Income and Adjustments to Income**  
 Attach to Form 1040, 1040-SR, or 1040-NR.  
 OMB No. 1545-0074  
 2023 Attachment Sequence No. 01  
 Department of the Treasury Internal Revenue Service  
 Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR \_\_\_\_\_ Your social security number \_\_\_\_\_

**Part I Additional Income**

1 Taxable refunds, credits, or offsets of state and local income taxes . . . . .	1	
2a Alimony received . . . . .	2a	
b Date of original divorce or separation agreement (see instructions): _____		
3 Business income or (loss). Attach Schedule C . . . . .	3	
4 Other gains or (losses). Attach Form 4797 . . . . .	4	
5 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	5	
6 Farm income or (loss). Attach Schedule F . . . . .	6	
7 Unemployment compensation . . . . .	7	
8 Other income:		
a Net operating loss . . . . .	8a	( )
b Gambling . . . . .	8b	
c Cancellation of debt . . . . .	8c	
d Foreign earned income exclusion from Form 2555 . . . . .	8d	( )
e Income from Form 8853 . . . . .	8e	
f Income from Form 8889 . . . . .	8f	
g Alaska Permanent Fund dividends . . . . .	8g	
h Jury duty pay . . . . .	8h	
i Prizes and awards . . . . .	8i	
j Activity not engaged in for profit income . . . . .	8j	
k Stock options . . . . .	8k	
l Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property . . . . .	8l	
m Olympic and Paralympic medals and USOC prize money (see instructions) . . . . .	8m	
n Section 951(a) inclusion (see instructions) . . . . .	8n	
o Section 951A(a) inclusion (see instructions) . . . . .	8o	
p Section 461(l) excess business loss adjustment . . . . .	8p	
q Taxable distributions from an ABL account (see instructions) . . . . .	8q	
r Scholarship and fellowship grants not reported on Form W-2 . . . . .	8r	
s Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d . . . . .	8s	( )
t Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan . . . . .	8t	
u Wages earned while incarcerated . . . . .	8u	
z Other income. List type and amount: _____	8z	
9 Total other income. Add lines 8a through 8z . . . . .	9	
10 Combine lines 1 through 7 and 9. This is your additional income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 . . . . .	10	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2023





# Personal Tax Considerations – Roth Conversion

- Nondeductible contributions
- Deductible contributions
- Conversions with basis and previously deducted contributions

# Personal Tax Considerations – Roth Conversion

**Form 8606** Nondeductible IRAs

Department of the Treasury Internal Revenue Service

OMB No. 1545-0074

**2023** Attachment Sequence No. 48

Attach to 2023 Form 1040, 1040-SR, or 1040-NR. Go to [www.irs.gov/Form8606](https://www.irs.gov/Form8606) for instructions and the latest information.

Name, if married, file a separate form for each spouse required to file 2023 Form 8606. See instructions. Your social security number

Home address (number and street, or P.O. box if mail is not delivered to your home) Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code

**Part I** Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, Traditional SEP, and Traditional SIMPLE IRAs

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2023.
- You took distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2023 and you made nondeductible contributions to a traditional IRA in 2023 or an earlier year. For this purpose, a distribution does not include a rollover (other than certain qualified disaster distribution repayments from 2023 Form(s) 8915-F), qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023 and you made nondeductible contributions to a traditional IRA in 2023 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2023, including those made for 2023 from January 1, 2024, through April 15, 2024. See instructions.	1
2	Enter your total basis in traditional IRAs. See instructions.	2
3	Add lines 1 and 2	3
4	In 2023, did you take a distribution from traditional, traditional SEP, or traditional SIMPLE IRAs, or make a Roth, Roth SEP, or Roth SIMPLE IRA conversion? No — Enter the amount from line 3 on line 14. Do not complete the rest of Part I. Yes — Go to line 4.	4
5	Enter those contributions included on line 1 that were made from January 1, 2024, through April 15, 2024	5
6	Subtract line 4 from line 3	6
7	Enter the value of all your traditional, traditional SEP, and traditional SIMPLE IRAs as of December 31, 2023, plus any outstanding rollovers. Subtract certain repayments of qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions)	7
8	Enter the net amount you converted from traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023. Also, enter this amount on line 16	8
9	Add lines 6, 7, and 8	9
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 4 places. If the result is 1.000 or more, enter "1.000"	10
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth, Roth SEP, or Roth SIMPLE IRAs. Also, enter this amount on line 17	11
12	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth, Roth SEP, or Roth SIMPLE IRA	12
13	Add lines 11 and 12. This is the nontaxable portion of all your distributions	13
14	Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2023 and earlier years	14
15a	Subtract line 12 from line 7	15a
b	Enter the amount on line 15a attributable to qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions). Also, enter this amount on 2023 Form(s) 8915-F, line 18, as applicable (see instructions)	15b
c	<b>Taxable amount.</b> Subtract line 15b from line 15a. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b	15c

Note: You may be subject to an additional 10% tax on the amount on line 15c if you were under age 59½ at the time of the distribution. See instructions.

Cat. No. 63966F Form 8606 (2023)

Form 8606 (2023) Page 2

**Part II** 2023 Conversions From Traditional, Traditional SEP, or Traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs

Complete this part if you converted part or all of your traditional, traditional SEP, and traditional SIMPLE IRAs to a Roth, Roth SEP, or Roth SIMPLE IRA in 2023.

16	If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023	16
17	If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see instructions)	17
18	<b>Taxable amount.</b> Subtract line 17 from line 16. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b	18

**Part III** Distributions From Roth, Roth SEP, or Roth SIMPLE IRAs

Complete this part only if you took a distribution from a Roth, Roth SEP, or Roth SIMPLE IRA in 2023. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster distribution from 2023 Form(s) 8915-F (see instructions)), qualified charitable distribution, one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see instructions).

19	Enter your total nonqualified distributions from Roth, Roth SEP, and Roth SIMPLE IRAs in 2023, including any qualified first-time homebuyer distributions, and any qualified disaster distributions from 2023 Form(s) 8915-F (see instructions)	19
20	Qualified first-time homebuyer expenses (see instructions). Do not enter more than \$10,000 reduced by the total of all your prior qualified first-time homebuyer distributions	20
21	Subtract line 20 from line 19. If zero or less, enter -0-	21
22	Enter your basis in Roth, Roth SEP, and Roth SIMPLE IRA contributions (see instructions). If line 21 is zero, stop here	22
23	Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see instructions)	23
24	Enter your basis in conversions from traditional, traditional SEP, and traditional SIMPLE IRAs and rollovers from qualified retirement plans to a Roth, Roth SEP, or Roth SIMPLE IRA. See instructions	24
25a	Subtract line 24 from line 23. If zero or less, enter -0- and skip lines 25b and 25c	25a
b	Enter the amount on line 25a attributable to qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions). Also, enter this amount on 2023 Form(s) 8915-F, line 19, as applicable (see instructions)	25b
c	<b>Taxable amount.</b> Subtract line 25b from line 25a. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b	25c

**Sign Here Only if You Are Filing This Form by Itself and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date

Print/Type preparer's name Preparer's signature Date

Check  if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

**Paid Preparer Use Only**

Form 8606 (2023)

Form 1040 Department of the Treasury—Internal Revenue Service

**2023** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2023, or other tax year beginning \_\_\_\_\_, 2023, ending \_\_\_\_\_, 2023

See separate instructions.

Your first name and middle initial Last name Your social security number

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/country Foreign postal code

**Filing Status**  Single  Married filing jointly (even if only one had income)  Head of household (HOH)  Married filing separately (MFS)  Qualifying surviving spouse (QSS)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: \_\_\_\_\_

**Digital Assets** At any time during 2023, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1959  Are blind Spouse:  Was born before January 2, 1959  Is blind

**Dependents** (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):
				Child tax credit Credit for other dependents

If more than four dependents, see instructions and check here

**Income**

1a	Total amount from Form(s) W-2, box 1 (see instructions)	1a
b	Household employee wages not reported on Form(s) W-2	1b
c	Tip income not reported on line 1a (see instructions)	1c
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d
e	Taxable dependent care benefits from Form 2441, line 26	1e
f	Employer-provided adoption benefits from Form 8839, line 29	1f
g	Wages from Form 8919, line 6	1g
h	Other earned income (see instructions)	1h
i	Nontaxable combat pay election (see instructions)	1i
z	Add lines 1a through 1h	1z
2a	Tax-exempt interest	2a
b	Taxable interest	2b
3a	Qualified dividends	3a
b	Ordinary dividends	3b
4a	IRA distributions	4a
b	Taxable amount	4b
5a	Pensions and annuities	5a
b	Taxable amount	5b
6a	Social security benefits	6a
b	Taxable amount	6b
c	If you elect to use the lump-sum election method, check here (see instructions)	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Additional income from Schedule 1, line 10	8
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12	Standard deduction or itemized deductions (from Schedule A)	12
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12 and 13	14
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15

Attach Sch. B if required.

**Standard Deduction for—**  Single or Married filing separately, \$13,850  Married filing jointly or Qualifying surviving spouse, \$27,700  Head of household, \$20,800

If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2023)



# Personal Tax Considerations – Roth Conversion

**Form 8606** Nondeductible IRAs

OMB No. 1545-0074

2023 Attachment Sequence No. 48

Attach to 2023 Form 1040, 1040-SR, or 1040-NR. Go to [www.irs.gov/Form8606](http://www.irs.gov/Form8606) for instructions and the latest information.

Name, if married, file a separate form for each spouse required to file 2023 Form 8606. See instructions. Your social security number

Home address (number and street, or P.O. box if mail is not delivered to your home) Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code

**Part I** Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, Traditional SEP, and Traditional SIMPLE IRAs

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2023.
- You took distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2023 and you made nondeductible contributions to a traditional IRA in 2023 or an earlier year. For this purpose, a distribution does not include a rollover (other than certain qualified disaster distribution repayments from 2023 Form(s) 8915-F), qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023 and you made nondeductible contributions to a traditional IRA in 2023 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2023, including those made for 2023 from January 1, 2024, through April 15, 2024. See instructions.	1
2	Enter your total basis in traditional IRAs. See instructions.	2
3	Add lines 1 and 2.	3
4	In 2023, did you take a distribution from traditional, traditional SEP, or traditional SIMPLE IRAs, or make a Roth, Roth SEP, or Roth SIMPLE IRA conversion? No — Enter the amount from line 3 on line 14. Do not complete the rest of Part I. Yes — Go to line 4.	4
5	Enter those contributions included on line 1 that were made from January 1, 2024, through April 15, 2024.	5
6	Subtract line 4 from line 3.	6
7	Enter the value of all your traditional, traditional SEP, and traditional SIMPLE IRAs as of December 31, 2023, plus any outstanding rollovers. Subtract certain repayments of qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions).	7
8	Enter your distributions from traditional, traditional SEP, and traditional SIMPLE IRAs in 2023. Do not include rollovers (other than repayments of qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions)); qualified charitable distributions; a one-time distribution to fund an HSA; conversions to a Roth, Roth SEP, or Roth SIMPLE IRA; certain returned contributions; or recharacterizations of traditional IRA contributions (see instructions).	8
9	Enter the net amount you converted from traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023. Also, enter this amount on line 16.	9
10	Add lines 6, 7, and 8.	10
11	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000".	11
12	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth, Roth SEP, or Roth SIMPLE IRA. Also, enter this amount on line 17.	12
13	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth, Roth SEP, or Roth SIMPLE IRA.	13
14	Add lines 11 and 12. This is the nontaxable portion of all your distributions.	14
15a	Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2023 and earlier years.	15a
15b	Subtract line 12 from line 7.	15b
15c	Enter the amount on line 15a attributable to qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions). Also, enter this amount on 2023 Form(s) 8915-F, line 18, as applicable (see instructions).	15c
15d	<b>Taxable amount.</b> Subtract line 15b from line 15a. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b.	15d

Note: You may be subject to an additional 10% tax on the amount on line 15c if you were under age 59½ at the time of the distribution. See instructions.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 6396FE Form 8606 (2023)

**Form 8606 (2023)** Page 2

**Part II** 2023 Conversions From Traditional, Traditional SEP, or Traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs

Complete this part if you converted part or all of your traditional, traditional SEP, and traditional SIMPLE IRAs to a Roth, Roth SEP, or Roth SIMPLE IRA in 2023.

16	If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, traditional SEP, and traditional SIMPLE IRAs to Roth, Roth SEP, or Roth SIMPLE IRAs in 2023.	16
17	If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see instructions).	17
18	<b>Taxable amount.</b> Subtract line 17 from line 16. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b.	18

**Part III** Distributions From Roth, Roth SEP, or Roth SIMPLE IRAs

Complete this part only if you took a distribution from a Roth, Roth SEP, or Roth SIMPLE IRA in 2023. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster distribution from 2023 Form(s) 8915-F (see instructions)), qualified charitable distribution, one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see instructions).

19	Enter your total nonqualified distributions from Roth, Roth SEP, and Roth SIMPLE IRAs in 2023, including any qualified first-time homebuyer distributions, and any qualified disaster distributions from 2023 Form(s) 8915-F (see instructions).	19
20	Qualified first-time homebuyer expenses (see instructions). Do not enter more than \$10,000 reduced by the total of all your prior qualified first-time homebuyer distributions.	20
21	Subtract line 20 from line 19. If zero or less, enter -0-	21
22	Enter your basis in Roth, Roth SEP, and Roth SIMPLE IRA contributions (see instructions). If line 21 is zero, stop here.	22
23	Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see instructions).	23
24	Enter your basis in conversions from traditional, traditional SEP, and traditional SIMPLE IRAs and rollovers from qualified retirement plans to a Roth, Roth SEP, or Roth SIMPLE IRA. See instructions.	24
25a	Subtract line 24 from line 23. If zero or less, enter -0- and skip lines 25b and 25c.	25a
25b	Enter the amount on line 25a attributable to qualified disaster distributions, if any, from 2023 Form(s) 8915-F (see instructions). Also, enter this amount on 2023 Form(s) 8915-F, line 19, as applicable (see instructions).	25b
25c	<b>Taxable amount.</b> Subtract line 25b from line 25a. If more than zero, also include this amount on 2023 Form 1040, 1040-SR, or 1040-NR, line 4b.	25c

**Sign Here Only if You Are Filing This Form by Itself and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date

Print/Type preparer's name Preparer's signature Date Check  if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

**Paid Preparer Use Only**

Form 8606 (2023)

**Form 1040** Department of the Treasury—Internal Revenue Service

**U.S. Individual Income Tax Return** 2023 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2023, or other tax year beginning 2023, ending 2023, 20

See separate instructions.

Your first name and middle initial Last name Your social security number

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/country Foreign postal code

**Filing Status**  Single  Head of household (HOH)  Married filing jointly (even if only one had income)  Married filing separately (MFS)  Qualifying surviving spouse (QSS)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: \_\_\_\_\_

**Digital Assets** At any time during 2023, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1959  Are blind  Spouse:  Was born before January 2, 1959  Is blind

**Dependents** (see instructions): (1) First name Last name (2) Social security number (3) Relationship to you (4) Check the box if qualifies for (see instructions): Child tax credit Credit for other dependents

1a	Total amount from Form(s) W-2, box 1 (see instructions)	1a
1b	Household employee wages not reported on Form(s) W-2	1b
1c	Tip income not reported on line 1a (see instructions)	1c
1d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d
1e	Taxable dependent care benefits from Form 2441, line 26	1e
1f	Employer-provided adoption benefits from Form 8839, line 29	1f
1g	Wages from Form 8919, line 6	1g
1h	Other earned income (see instructions)	1h
1i	Nontaxable combat pay election (see instructions)	1i
1j	Add lines 1a through 1h	1j
2a	Tax-exempt interest	2a
2b	Taxable interest	2b
3a	Qualified dividends	3a
3b	Ordinary dividends	3b
4a	IRA distributions	4a
4b	Taxable amount	4b
5a	Pensions and annuities	5a
5b	Taxable amount	5b
6a	Social security benefits	6a
6b	Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Additional income from Schedule 1, line 10	8
9	Add lines 12, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12	Standard deduction or itemized deductions (from Schedule A)	12
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12 and 13	14
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15

Attach Sch. B if required.

**Standard Deduction for** Single or Married filing separately, \$13,850 Married filing jointly or Qualifying surviving spouse, \$27,700 Head of household, \$20,800 If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2023)



# Personal Tax Considerations – Schedule A

SCHEDULE A (Form 1040)		Itemized Deductions		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040 or 1040-SR. Go to <a href="http://www.irs.gov/ScheduleA">www.irs.gov/ScheduleA</a> for instructions and the latest information.		<b>2023</b> Attachment Sequence No. 07
Name(s) shown on Form 1040 or 1040-SR			Your social security number	
<b>Medical and Dental Expenses</b>	<p><b>Caution:</b> Do not include expenses reimbursed or paid by others.</p> <p>1 Medical and dental expenses (see instructions) . . . . .</p> <p>2 Enter amount from Form 1040 or 1040-SR, line 11</p> <p>3 Multiply line 2 by 7.5% (0.075) . . . . .</p> <p>4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-</p>	1	2	3
<b>Taxes You Paid</b>	<p>5 State and local taxes.</p> <p>a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/></p> <p>b State and local real estate taxes (see instructions) . . . . .</p> <p>c State and local personal property taxes . . . . .</p> <p>d Add lines 5a through 5c . . . . .</p> <p>e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately) . . . . .</p> <p>6 Other taxes. List type and amount: . . . . .</p> <p>7 Add lines 5e and 6 . . . . .</p>	5a	5b	5c
<b>Interest You Paid</b>	<p><b>Caution:</b> Your mortgage interest deduction may be limited. See instructions.</p> <p>8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/></p> <p>a Home mortgage interest and points reported to you on Form 1098. See instructions if limited . . . . .</p> <p>b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address . . . . .</p> <p>c Points not reported to you on Form 1098. See instructions for special rules . . . . .</p> <p>d Reserved for future use . . . . .</p> <p>e Add lines 8a through 8c . . . . .</p> <p>9 Investment interest. Attach Form 4952 if required. See instructions . . . . .</p> <p>10 Add lines 8e and 9 . . . . .</p>	8a	8b	8c
<b>Gifts to Charity</b>	<p>11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions . . . . .</p> <p>12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 . . . . .</p> <p>13 Carryover from prior year . . . . .</p> <p>14 Add lines 11 through 13 . . . . .</p>	11	12	13
<b>Casualty and Theft Losses</b>	<p>15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions . . . . .</p>	15		
<b>Other Itemized Deductions</b>	<p>16 Other—from list in instructions. List type and amount: . . . . .</p>	16		
<b>Total Itemized Deductions</b>	<p>17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12 . . . . .</p> <p>18 If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/></p>	17	18	



# Merger & Acquisition Tax Strategies

- Asset purchase from buyer and seller perspective
- Stock purchase from buyer and seller perspective
- S Corporation issues
- C Corporation issues
- Section 1202 Stock
- F Reorganizations



## Contact Information:



John Langston, CPA  
Partner

469.949.8437 | [johnl@savillecpa.com](mailto:johnl@savillecpa.com)

SAVILLE

*CPAs & Advisors*

