

Here are some tips to shift income between tax years. If you have any questions, please call us at 304-261-6300.

Income Deferral (or opposite for acceleration):

1. Postpone sale of appreciated assets;
2. Offset tax losses from asset sales against current gains from asset sales (loss harvesting);
3. Postpone the redemption of U.S. Savings Bonds;
4. Delay Roth conversions;
5. Minimize retirement distributions;
6. Execute like-kind exchange transactions;
7. Receive in January bonuses earned during the prior year;
8. Postpone an optional IRA distribution;
9. Businesses: Defer billings and collections.

Deductions/Credits Acceleration (or alter the action for best timing):

1. Note: Before shifting deductions, consider the effect of AGI limitations on deductions/credits;
2. Accelerate deductions--pay before year end (can use credit cards to pay);
3. Bunch itemized deductions, if close but unable to itemize deductions each year;
4. Pay last state estimated tax installment in December rather than January (beware alternative minimum tax);
5. Ensure investment expenses do not exceeds investment income (delay loan payment);
6. Match passive activity income and losses;
7. Make a deductible IRA or an extra 401(k) contribution;
8. Make a payment to a Health Savings Account;
9. Businesses: Make asset purchases that do not exceed the section 179 write off limitations.