

2025 TAX PLANNING

This guide will explore how tax filing may look different this tax year and what you can do to prepare. Remember that this guide is for informational purposes only and is not a replacement for real-life advice, so consult your tax, legal, and accounting professionals before modifying your strategy.





THE TAX BRACKETS

The tax brackets are 10, 12, 22, 24, 32, 35, and 37 percent. Here are the tax brackets and the corresponding income ranges:¹

2024 TAX RATE	Single	Married Filing Jointly
10%	\$0 to \$11,600	\$0 to \$ 23,200
12%	\$11,601–\$47,150	\$23,201 – \$94,300
22%	\$47,151–\$100,525	\$94,301 – \$201,050
24%	\$100,526–\$191,950	\$201,051 – \$383,900
32%	\$191,951–\$243,725	\$383,901 – \$487,450
35%	\$243,726–\$609,350	\$487,451 – \$731,200
37%	\$609,351+	\$731,201+

These modest changes to the tax brackets mean that wage earners may fall into lower brackets this tax year. Here is one example: A single filer at \$100,000 in taxable income would have fallen into the 24 percent bracket for tax year 2023. The filer would now be in the 22 percent tax bracket for 2024.

Keep in mind that the tax brackets are representative of how much you will pay for each portion of your income. For example, if you make \$125,000 for the 2024 tax year and are married filing jointly, you would pay 10 percent on the first \$23,200, 12 percent on the next \$71,100, and 22 percent on the final \$30,700. You would not pay 22 percent for the entire \$125,000 of your annual income.

Here are the standard deductions for the 2024 tax year:¹

TAX YEAR	2024
Single	\$14,600
Married Filing Jointly	\$29,200
Married Filing Separately	\$14,600
Head of Household	\$21,900
Personal Exemption	N/A

IMPORTANT DEADLINES*

JANUARY 15, 2025

If you are self-employed or have other fourth-quarter income that requires you to pay quarterly estimated taxes, postmark this payment by January 15, 2025.

APRIL 15, 2025**

FIRST QUARTER 2025 ESTIMATED TAX PAYMENT DUE

2024 INDIVIDUAL TAX RETURNS DUE

Most taxpayers have until April 15 to file tax returns. Email or postmark your returns by midnight on this date.

LAST DAY TO MAKE A 2024 IRA CONTRIBUTION

If you have not already contributed fully to your retirement account for 2024, April 15 is your last chance to fund a traditional IRA or a Roth IRA.

INDIVIDUAL TAX RETURN EXTENSION FORM DUE

If you cannot file your taxes on time, file your request for an extension by April 15 to push your deadline back to October 15, 2025.

JUNE 16, 2025

SECOND QUARTER 2025 ESTIMATED TAX PAYMENT DUE

SEPTEMBER 15, 2025

THIRD QUARTER 2025 ESTIMATED TAX PAYMENT DUE

OCTOBER 15, 2025

EXTENDED INDIVIDUAL TAX RETURNS DUE

If you received an extension, you have until October 15 to file your 2024 tax return.

*Tax deadlines that fall on weekends or national holidays will be delayed until the following business day. Also, the IRS has the authority to adjust federal tax deadlines on short notice based on its assessment of financial or economic conditions. If you live in a location affected by a natural disaster, check with the IRS, as your tax-filing deadline may have been adjusted.



THE CHILD TAX CREDIT

The 2024 Child Tax Credit allows a credit of up to \$2,000 per child for 2024.

The credit is partially refundable and phases out at income thresholds of \$200,000 (or \$400,000 for married taxpayers filing jointly).²

PREPARING FOR THE TAX SEASON

Getting ready for tax season may help you get better prepared for the unexpected. Here are several reasons to begin early:

- Your home, job, or relationships changed.
- You need to start saving money because you may owe taxes.
- You want to determine if you qualify for tax deductions.

You can make changes throughout the year to help with your tax preparations. In particular, you can make periodic assessments of your paycheck withholdings so that you can get a refund or manage your tax burden.

You should keep track of and store your tax and other financial records to avoid delays or frantic preparations as the filing deadline approaches. Records may include W-2 forms, canceled checks, certain receipts, and previous returns.

Here is a list of other items to start gathering:

- Pay stubs
- Mortgage payment records
- Closing paperwork on home purchases
- Receipts for items or services you may want to claim as itemized deductions
- Records of charitable giving and donations
- Mileage logs on cars used for business
- Business travel receipts

- Credit card and bank statements to verify deductions
- Medical bills
- 1099-G forms for state and local taxes
- 1099 forms for dividend or other income

During the first few months of 2025, make sure you receive your W-2 and 1099 forms as well as other tax documents. Leave adequate time to collect documents and prepare to file your taxes prior to the April 15, 2025 deadline.

TIGHTENING THE NUTS AND BOLTS

Here are some additional ways to prepare this year for next year's tax season:

Look at last year: Take one more look at last year's return. In the months ahead, you may still have an opportunity to contribute more to your retirement plan, which may help manage your taxable income.

Donate to charity: How about "bunching" your charitable donations? Bunching may allow you to take advantage of your deduction allowances by making two or more years' worth of charity donations in one year.³

Review capital losses: If you are investing in the financial markets, you may want to consider deducting capital losses. You have the opportunity to claim deductions if you experience losses, but you can claim losses only if they exceed capital gains. You are allowed to claim the difference of up to \$3,000 per year if you are married filing jointly or \$1,500 if you are filing separate returns. Net losses that exceed \$3,000 can be carried over into future years.⁴

Deductions for capital losses can only be applied to investment property sales, not to the sale of investment property that was held for personal use.

Get organized: Find a place to store your tax documents until it is time to prepare to file. A good recordkeeping system may alleviate concerns later as the deadline gets closer.

If you store your documents or prior returns on your computer, make sure you back them up on a thumb drive or other device or system in case your computer is hacked or stolen.

Consider other taxes: Keep an eye on local and state government requirements that may affect your specific tax situation.

HOW LONG?

The IRS provides recommended timelines for retaining financial documents:⁵

1. You should keep your tax records for three years if #4 and #5 below do not apply to you.
2. You should keep records for three years from the original filing date of your return or two years from the date you paid your taxes if you claimed a credit or refund after you filed your return. Select whichever is the later date.
3. You should keep your records for seven years if you claimed a loss from worthless securities or a bad debt deduction.
4. You should keep your records for six years if you failed to report income that you should have and the income was more than 25 percent of the gross income listed on your return.
5. Keep records indefinitely if you do not file a return.
6. You should keep employment tax records for at least four years after the due date on the taxes or after you paid the taxes. Select whichever is later.

CONCLUSION

We hope you found this report to be educational and informative. You may incorporate the principles and tips in this report into your tax preparation strategy.

Preparing well in advance may enable you to take advantage of the opportunities and benefits available under the new tax code.

Discussing your unique situation with both a financial and tax professional may help you make informed choices as tax season approaches. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult with legal or tax professionals with expertise in this area for specific information regarding your situation.

If you or anyone close to you would like to discuss how to manage your financial situation, please give our office a call to schedule a consultation.

Warm Regards,

***Your Team at
Lumena Financial Strategies***

FOOTNOTES, DISCLOSURES, AND SOURCES

The financial consultants of Lumena Financial Strategies are registered representatives with, and Securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC.

These are the views of FMG Suite, LLC, and not necessarily those of the named representative, broker/dealer or investment advisor, and should not be construed as investment advice. Neither the named representative nor the named broker/dealer or investment advisor gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial professional for further information.

1. IRS.gov, 2025
2. IRS.gov, 2025
3. IRS.gov, 2025
4. IRS.gov, 2025
5. IRS.gov, 2025



Lumena Financial Strategies
www.lumenafinancial.com
(619) 295-9930
team@lumenafinancial.com

