

2024 Tax Planning Calendar

Tax and financial planning are activities best pursued year-round. Although the timing of some activities is critical, you should review all tax considerations from the perspective of your specific needs and establish an individualized planning calendar.

If the last day for filing a return, paying tax or performing other activities falls on a Saturday, Sunday or legal holiday (in the District of Columbia), you generally have until the next day that is not a Saturday, Sunday or legal holiday to perform that act. Use the following list to remind yourself of important activities and dates.

First Quarter

General

- Complete Form W-4, Employee's Withholding Allowance Certificate, and adjust withholding, if needed.
- Evaluate before-tax and voluntary aftertax contributions to retirement plans.
- Apply for a Social Security number for any child who does not have one.

January 16

- Pay fourth-quarter 2023 estimated tax voucher if you did not pay your income tax for the year through withholding, or if you did not pay enough through withholding. You do not have to make this payment if you file your 2023 return and pay any tax due by January 31, 2024.
- Make quarterly defined-benefit Keogh contribution for preceding year.

January 31

- File your income tax return (Form 1040) for 2023 if you did not pay your last installment of estimated tax by January 16. Filing your return and paying any tax due by January 31 prevents any penalty for late payment of last installment.
- Make sure you have received a Form W-2 from each employer you worked for in 2023.

Second Quarter

April 1

- Comply with required minimum distribution (RMD) rules for qualified retirement plans if you attained age 73 in the previous year. (This deadline does not change when April 1 falls on a weekend or on a holiday.)

April 15

- File individual tax returns (or apply for an extension); residents of Massachusetts and Maine can file by April 17. If you want an automatic six-month extension of time to file the return, file Form 4868; or, you can get an extension (until October 15) by phone or over the internet if you pay part or all of your estimate of income tax due with a credit card.
- Make prior-year Keogh or SEP plan contribution (unless you applied for an extension of time to file your return).
- Make quarterly defined-benefit Keogh contribution for the current year.
- Make prior-year IRA and Coverdell Education Savings Account contributions.
- File Schedule H (Form 1040) with your tax return if you paid cash wages of $2,600 or more in 2023 to a household employee.
- Report federal unemployment (FUTA) tax on Schedule H if you paid total cash wages of $1,000 or more in any calendar quarter of 2022 or 2023 to household employees.
- Pay first-quarter estimated tax if you are not paying your income tax through withholding or you will not pay enough that way.

June 17

- Pay second-quarter estimated tax voucher if you are not paying your income tax for the year through withholding, or if you are not withholding enough.

Third Quarter

July 15

- Make quarterly defined-benefit Keogh contribution for the current year.

September 16

- Pay third-quarter estimated tax voucher if you are not paying your income tax for the year through withholding, or if you are not withholding enough.

Fourth Quarter

General

- Begin your year-end tax planning:
- Project your current-year and next-year tax liabilities.
- Evaluate the applicability of the AMT (if not repealed by tax reform) and other taxes.
- Adjust withholding, if necessary.
- Evaluate year-end capital transactions.
- Establish a separate Keogh plan for self-employment income.
- Comply with minimum distribution rules for qualified plans.

October 15

- If you extended your individual tax return, file your 2023 income tax return and pay any tax, interest and penalties due.
- Make quarterly defined-benefit Keogh contribution for the current year.

December 31

- Comply with RMD rules for qualified retirement plans. Can delay until April 1, 2025, if you attained age 73 during 2024.

Throughout the Year

- Reevaluate your long-term strategies.
- Evaluate your tax and financial strategy for receiving discretionary and mandatory retirement plan distributions.
- Rebalance investment portfolio and reevaluate your uses of debt.
- Consider making gifts up to the annual gift tax exclusion.
- Evaluate passive loss exposure and potential investment shifts.
- If you have excess cash flow, consider how to invest those funds.
- Optimize mix of interest expense items.
- Consider making charitable contributions of property.
- Consider ways to fund your children's education.
- Evaluate your mix of portfolio and passive income.

2024 Federal Legal Holidays (in the District of Columbia)

January 1	New Year's Day
January 15	Birthday of Martin Luther King Jr.
February 19	Washington's Birthday
April 16	D.C. Emancipation Day
May 27	Memorial Day
June 19	Juneteenth National Independence Day
July 4	Independence Day
September 2	Labor Day
October 14	Columbus Day
November 11	Veterans Day
November 28	Thanksgiving Day
December 25	Christmas Day

Investment Strategies: 2024 and Beyond

Though the ATRA and the Consolidated Appropriations Act of 2016 provided clarity in terms of legislation and both SECURE Acts made some refinements, the TCJA had a much bigger and broader impact on the tax code. Not only did the tax brackets for individuals change, but so did many deductions and exemptions.

The following are traditional tax planning strategies that can help keep your tax bill down. It is important, however, to keep in mind that your goals and risk tolerance, not just the income tax impact of an investment, should drive your investment decisions.

Adjust Withholdings or Estimated Payments

If you owed more than expected or received a larger-than-expected refund for the 2022 tax year, consider adjusting your withholding amount. The IRS' Tax Withholding Estimator (www.irs.gov/individuals/irs-withholding-calculator) can help you run the numbers. Make note of any changes in your income for this year that may not be repeated in future years.

The same logic applies to estimated taxes. If you found yourself underpaying or receiving a large refund, use the aforementioned calculator to determine what adjustments you should make to your estimated tax payments.

Be Aware of Holding Periods for Qualified Dividends

In order to qualify for the reduced 0% or 15% (20% for higher earners) tax rate on qualified dividends for common and preferred stocks, a holding period must be satisfied. Specifically, common stocks must be owned for more than 60 days during the 121-day period that begins 60 days before the ex-dividend date. (The holding period is more than 90 days out of a 181-day period for preferred stocks with dividends attributable to periods aggregating more than 366 days.) The ex-dividend date is generally one trading day prior to the record date.

Not all dividends are qualified. Qualified dividends are paid by common and preferred stocks. Distributions from a real estate investment trust (REIT) or master limited partnership (MLP) do not qualify for the discounted taxed rate. Contact the investor relations department of the specific company if you have questions about the tax treatment.

Consider Increasing Retirement Savings

Increasing retirement savings makes sense from a financial planning standpoint and, depending on your adjusted income, may reduce your tax bill. You have until April 15, 2024, to make an IRA contribution for the 2023 tax year. See the box on page 25 for annual contribution limits to various types of retirement plans.

Consider Roth IRA Conversion Opportunities

You have the option of converting all or part of your traditional IRA into a Roth IRA, regardless of your adjusted gross income. Roth IRAs can provide certain advantages: The converted assets can be withdrawn tax-free at any time and future earnings are also tax-free (with some limitations) to both you and your heirs. Withdrawals do not impact how much of Social Security benefits are taxed nor do they count as income for determining Medicare premiums. Additionally, Roth IRA owners are not required to take any minimum distributions in retirement. The downsides, however, are that the conversion amount is taxable in the year it occurs, it can increase the amount of Social Security benefits taxed in the year of conversion and can