

2023 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 17

» Pay fourth-quarter 2022 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 2022 return and pay any tax due by January 31, 2023.
» Make quarterly defined-benefit Keogh contribution for preceding year.

January 31

» File your income tax return (Form 1040) for 2022 if you did not pay your last installment of estimated tax by January 17. 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 2022.

Second Quarter

April 1

» Comply with required minimum distribution (RMD) rules for qualified retirement plans if you attained age 72 in the previous year. (This deadline does not change when April 1 falls on a weekend or on a holiday.)

April 18

» File individual tax returns (or apply for an extension); this is same deadline for residents of Massachusetts and Maine. 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 16) 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 $2,400 or more in 2022 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 2021 or 2022 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 15

» 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 15

» 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 16

» If you extended your individual tax return, file your 2022 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, 2024, if you attained age 72 during 2023.

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.

2023 Federal Legal Holidays (in the District of Columbia)

January 1*	New Year's Day
January 16	Birthday of Martin Luther King Jr.
February 20	Washington's Birthday
April 17	D.C. Emancipation Day
May 29	Memorial Day
June 19	Juneteenth National Independence Day
July 4	Independence Day
September 4	Labor Day
October 9	Columbus Day
November 10	Veterans Day
November 23	Thanksgiving Day
December 25	Christmas Day

Legally observed on January 2, 2023.

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 2021 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 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 18, 2023, to make an IRA contribution for the 2022 tax year. See the box on page 25 for yearly 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 (though this year's bear market has made Roth conversions more attractive, as previously explained), it can increase the amount of Social Security benefits taxed in the year of conversion and can increase Medicare premiums two years out.

While the benefits of a Roth IRA conversion could be considerable, taxpayers must carefully weigh the up-front tax costs against the long-term tax advantages. For more on this, see "Retirement Planning Strategies Following