

Year-End Investment Moves

Article Highlights:

- Zero Capital Gains Rate
- Offset Gains With Losses
- Wash Sales

If you invest in publicly traded securities, here are a couple of tax-saving possibilities you shouldn't forget to consider before year-end.

Zero Capital Gains Rate - If you are having a low-income year, there may be a way for you to take advantage of it. There is a zero long-term capital gains rate for those taxpayers whose regular tax brackets are 15% or less. This may allow you to sell some appreciated securities that you have owned for more than a year and actually pay no or very little tax on the gain.

Offset Gains with Losses - At this time of year, you should review your portfolio with an eye to offset gains with losses and to take advantage of the \$3,000 (\$1,500 for married taxpayers filing separately) of allowable annual capital loss allowance. Any losses in excess of those amounts are carried forward to future years. However, keep in mind that if you replace a security that you sell for a loss, either 30 days before or after the date of sale, it will be considered a wash sale, and the loss cannot be used on your return, and instead, adjusts the basis of the replacement security.

Please contact this office for assistance with your year-end tax planning needs.