

# 2022 YEAR-END TAX PLANNING IDEAS FROM BORDEAUX WEALTH ADVISORS

Year-end is often a busy time for high-net-worth individuals and families – with both personal and professional commitments competing for your time and attention. Nevertheless, thoughtful tax planning is a critical component of any wealth management strategy. We've assembled the following key planning tips to aid you in realizing an effective tax season and year-end.



## INCOME HARVESTING

Take advantage of a temporarily lower tax bracket by creating income through a Roth Conversion, exercising stock options, etc.



## APPLY TAX-LOSS HARVESTING

If you have investments that are underperforming, determine whether you can sell them at a loss and then use that loss to reduce your taxable capital gains and potentially offset a portion of your ordinary income.



## CONTRIBUTE TO SELF-EMPLOYED RETIREMENT PLANS

Consider using self-employed retirement plans as an opportunity to defer income tax.



## EXERCISE ISOS (INCENTIVE STOCK OPTIONS)

Determine whether you can exercise Incentive Stock Options (ISOs) without triggering AMT (Alternative Minimum Tax).



## UTILIZE DONOR ADVISED FUNDS (DAFS) AND FOUNDATIONS

Analyzing and executing an optimal donation amount may provide valuable federal and state tax deductions.



## THINK ABOUT ANNUAL GIFTING AND WEALTH TRANSFERS

Consider making gifts to family via custodial accounts, 529 college savings accounts, and/or trusts. The lifetime gift tax exemption is slated to be cut in half in 2026.



## AVOID YEAR-END MUTUAL FUND INVESTMENTS WITH CAPITAL GAIN DISTRIBUTIONS

The timing of your mutual fund purchases may have unexpected tax consequences. When considering a late-year mutual fund purchase, it can be beneficial to make your investment after the fund's distribution eligibility date to sidestep any related taxable distributions.



## DEFER CAPITAL GAINS TAXES

Utilize a Qualified Opportunity Zone (QOZ) to defer realized capital gains taxes until 2026.



## EXECUTE A QUALIFIED CHARITABLE DEDUCTION (QCD) FROM YOUR RIA

Determine whether you can lower your Medicare premium or reduce the taxability of your Social Security payments by reducing your income through use of a QCD.



## SPEND YOUR FSA

Use it or lose it!

For more information on any of these tax planning ideas and how they might benefit you, contact Bordeaux Wealth Advisors. We manage the complexities of wealth so you don't have to.

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