

# Tax-Efficient Investment Planner

Optimize your investment strategy to minimize taxes

## Capital Gains Tax Calculator

Annual Income (\$)

60000

Capital Gains (\$)

5000

Holding Period

Short-term ( $\leq 1$  year)



Filing Status

Single



### Tax Analysis Results

#### Short-Term Tax

\$0

Taxed as ordinary income

#### Long-Term Tax

\$0

Preferential capital gains rate

#### Tax Savings

**\$0**

By holding >1 year

 **Tax-Saving Insight:**

Your Effective Tax Rate

**0%**

After-Tax Proceeds

**\$0**

## Tax-Advantaged Account Comparison

**Annual Contribution (\$)**

6000

**Investment Period (Years)**

30

**Expected Annual Return (%)**

7

**Current Tax Bracket (%)**

22

## Account Comparison Results

Account Type	Tax Treatment	Final Value	Tax Savings
<b>Taxable Account</b>	Pay taxes annually on gains	\$0	Baseline
<b>Traditional IRA/401(k)</b>	Tax-deferred growth, taxed at withdrawal	\$0	\$0
<b>Roth IRA/401(k)</b>	Tax-free growth and withdrawals	\$0	\$0



## Tax-Efficient Investment Strategies

### ⌚ Asset Location Strategy

Place investments in the most tax-efficient accounts:

Account Type	Best Assets	Why
<b>Taxable Accounts</b>	Tax-efficient index funds, municipal bonds, long-term stocks	Qualified dividends & long-term gains taxed at lower rates
<b>Tax-Deferred (Traditional IRA/401k)</b>	Bonds, REITs, actively managed funds	Ordinary income & high turnover shielded from current taxes
<b>Tax-Free (Roth IRA)</b>	High-growth stocks, small-cap funds	Maximum growth potential with zero future taxes

## Tax-Loss Harvesting

**Strategy:** Sell losing investments to offset capital gains

- Use capital losses to offset capital gains dollar-for-dollar
- Excess losses can offset up to \$3,000 of ordinary income
- Remaining losses carry forward to future years
- **Watch out:** Wash sale rule (can't rebuy same security within 30 days)

## Holding Period Optimization

**Long-Term Capital Gains Rates (2024):**

Filing Status	0% Rate	15% Rate	20% Rate
Single	\$0 - \$44,625	\$44,626 - \$492,300	\$492,301+
Married Joint	\$0 - \$89,250	\$89,251 - \$553,850	\$553,851+

*Short-term gains taxed as ordinary income (10%-37%)*

## State-Specific Considerations

### **{{STATE\_NAME}} Tax Information:**

- State Income Tax Rate: {{STATE\_INCOME\_TAX\_RATE}}%
- State Capital Gains Tax: {{STATE\_CAPITAL\_GAINS\_TAX}}%
- *Note: Some states tax capital gains as ordinary income, others don't tax them at all*

## Charitable Giving Strategies

- **Donate appreciated securities:** Avoid capital gains tax + get charitable deduction
- **Qualified Charitable Distributions (QCDs):** Donate from IRA after age 70½

- **Donor-Advised Funds:** Immediate tax deduction, distribute over time

### Additional Tax-Efficient Strategies

- **Index Funds/ETFs:** Low turnover = fewer taxable events
- **Municipal Bonds:** Interest exempt from federal (and sometimes state) taxes
- **Qualified Dividends:** Held >60 days, taxed at capital gains rates
- **529 Plans:** Tax-free growth for education expenses
- **HSAs:** Triple tax advantage (deductible, tax-free growth, tax-free withdrawals for medical)