

# Tax Strategy Planner

Create personalized tax strategies based on your income and eligible benefits

## Understanding Deductions vs. Credits

### Tax Deductions

#### Reduces taxable income

- $\text{Savings} = \text{Deduction} \times \text{Tax Rate}$
- \$1,000 deduction in 22% bracket = \$220 saved
- Standard vs. Itemized choice
- More valuable at higher tax brackets

### Tax Credits

#### Reduces tax owed directly

- Dollar-for-dollar reduction
- \$1,000 credit = \$1,000 saved
- Refundable vs. Non-refundable
- Equal value at all tax brackets

## Select Your Income Level

**Under \$44,725**

10-12% Bracket

**\$44,725 - \$95,375**

22% Bracket

**Over \$95,375**

24%+ Bracket

## Personal Deduction Tracker

Check applicable deductions and enter estimated amounts

☐

Student Loan Interest (up to \$2,500)

\$0

☐

Traditional IRA Contributions (up to \$6,500)

\$0

☐

HSA Contributions (up to \$3,850 individual)

\$0

☐

Educator Expenses (up to \$300)

\$0

☐

Charitable Contributions

\$0

☐

Mortgage Interest

\$0

## Credit Eligibility Checker

Check credits you may qualify for

☐

**American Opportunity Credit (up to \$2,500)**

First 4 years of higher education, partially refundable

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**Lifetime Learning Credit (up to \$2,000)**

Any post-secondary education or courses, non-refundable

☐

**Saver's Credit (up to \$1,000)**

Retirement contributions for lower-income taxpayers

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**Earned Income Tax Credit**

For low to moderate-income workers, refundable



**Child Tax Credit (up to \$2,000/child)**

For qualifying children under 17

**\$0**

Estimated Total Tax Savings

**Deduction Summary**

**Credit Summary**

**Recommended Actions**

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**PFL Academy** | Chapter 2.4: Understanding Tax Deductions and Credits

Tax laws vary by state. Consult a tax professional for personalized advice.