HOW TO KEEP THE IRS OUT OF YOUR POCKETS

HOW YOU CAN REDUCE YOUR TAX BILL AND SAVE MONEY WITH TAX LOSS SELLING

THE RETIREMENT PLANNING GROUP

PLANNINGRETIREMENTS.COM

Benefits of Tax Loss Selling

You invest $100,000 in **ETF A** and **ETF B**.

ETF A: $60,000

ETF B: $40,000

EFT B has realized gains of $10,000. **EFT A** has unrealized losses of $7,000.

ETF A: $53,000

ETF B: $50,000

Without tax-loss selling

At the end of the year you have a realized gain of $10,000 from **EFT B**.

TAX FORM

Potential tax bill of $1,500.
(15% x $10,000 = $1,500)

With tax-loss selling

BUY ▶ **SELL**
▲ ▼
SELL ◀ **BUY**

You can offset part of the $10,000 gain from **EFT B** with the loss from **EFT A**, resulting in a taxable gain of $3,000.

TAX FORM

Potential tax bill of $450.
(15% x $3,000 = $450)

In this example, tax-loss selling reduced the tax liability by $1,050 – a substantial savings you can invest back into your portfolio, use to maximize IRA contributions, pay off debt, or spend as you please.

Apply to Your Situation

To see if Tax Loss Selling might be right for you, apply your situation to the template below.

STEP 1

You invest $________________ in ________________ and ________________.

Total Investment **Investment A** **Investment B**

$________________
Investment A

$________________
Investment B

STEP 2

Investment Name: ____________has an unrealized loss of $___________________.

Investment Name: ____________has a realized gain of $___________________.

STEP 3

WITHOUT TAX LOSS SELLING

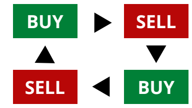
You have a realized gain of $__________________ from _______________.
Investment A or B

Multiply the dollar amount of the realized gain by 15% (capital gains tax on profit) to find your potential tax bill.

$______________ (GAIN) **X** **15%** **=** **$_______________ POTENTIAL TAX BILL**

WITH TAX LOSS SELLING

With Tax Loss Selling, and regular monitoring, you can potentially offset a gain by selling a loss. Assuming you realized a loss on your investment, refer back to our example for comparison.



You might be able to offset part of the $_____________ gain from _____________ with the loss from _____________, resulting in a taxable gain of $_______________.

$______________ (GAIN) **X** **15%** **=** **$_______________ POTENTIAL TAX BILL**

The Retirement Planning Group

We've Been Helping Individuals and Families Plan for Over 15 Years. Over 1,200 families* trust us to guide them toward their ideal financial future. We're redefining what retirement means for you and your family so that you can do more than just retire.

*As of 12/31/2019

Do you have questions about Tax Loss Selling?

We can help.

Click here to get started or give us a call at (913) 498-8898.

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DISCLAIMER

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