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Question	Answer
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Are tax rates going to rise or fall in the next 5-10 years?

If tax rates are expected to rise, how can we (yourself and the tax advisor) defer deductions until later years/increase income now to pay less tax in the future? As a result, you will be biting the bullet and paying more tax now.  
If tax rates are expected to fall, how can we accelerate deductions/decrease income to pay less tax now?

Assuming you have a job (commonly referred to as W-2 income), do you expect to be making more or less in the future?

If you project less, will there be other income streams below that will offset the loss in W-2 (for tax purposes)?

If you project more, are you open to maximizing the retirement vehicles at work or would you prefer to use that money for additional real estate purchases?

What is the nature of my interest income? Examples would include money market funds (more like a stream of income) or sign up bonuses that banks offer (one-time)

For dividends only – Are these qualified (meaning they're taxed at preferred rates) or ordinary ( meaning they're taxed at marginal rates)?

If the dividends are ordinary dividends, is there an opportunity to switch these to qualified (to pay less tax)?

How much are you making now and is this a significant portion of my income?

Do you expect to make more or less in 5-10 years?

Do you have or anticipate having a sole proprietorship (not including real estate)? Two real estate examples could include real estate agent and home inspector.

What are my current revenue and expenses?

What deductions am I not taking that I am legally entitled to (i.e. phone, internet, home office, qualified business income deduction, etc.)

How long do you intend to keep this business? Will it grow in the future or shrink?

Are there other planning opportunities to reduce taxes such as opening a Solo 401(k)?

Do you have any mutual funds that have capital gains distributions? If yes, is there another possibility to put money in an asset that has more favorable tax treatment?

Do you plan to sell any securities in the current or future years? (This is to be evaluated annually)

If yes to #10, are they short term or long term gains?

Do you expect any sales in the year for any rental properties?

Will you be executing a 1031 exchange?

Do you understand all the steps necessary to complete a 1031 exchange?

Will you instead be taking the money and not utilizing a 1031 exchange?

What additional taxes will be owed?

How many properties do you currently own?

How many properties do you plan to acquire in the next 5-10 years?

What do you think will be the typical price point and what does the typical deal look like from a numbers standpoint?

Would you like to show more income in the current and/or future years to increase the likelihood of obtaining bank financing?

If yes to #14, in what ways can you show more income/expenses?

Are there any deductions that can be taken that you're not currently taking?

Examples include health savings, funding of an IRA, student loan interest, and alimony.

What tax credits are available and how much do they reduce tax liability (the amount owed to the government)? The most common examples include child and dependent care, child tax credit, education credits (American Opportunity and Lifetime Learning), and the foreign tax credit (usually applies if you own foreign stocks).

Action Step (if any)

Talk with qualified  
intermediary to  
educate yourself on  
the process

Talk with accountant



ture years



Property 11 Property 12 Total

\$39,600.00

\$ -  
\$ -  
\$ 750.00  
\$ -  
\$ 1,600.00  
\$ -  
\$ 1,188.00  
\$ 6,500.00  
\$ -  
\$ 2,500.00  
\$ 2,000.00  
\$ -  
\$ -

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\$ - \$ - \$14,538.00

\$ - \$ - \$25,062.00  
\$ - \$ - \$26,315.10  
\$ - \$ - \$27,630.86  
\$ - \$ - \$29,012.40  
\$ - \$ - \$30,463.02  
\$ - \$ - \$31,986.17  
\$ - \$ - \$33,585.48  
\$ - \$ - \$35,264.75  
\$ - \$ - \$37,027.99  
\$ - \$ - \$38,879.39