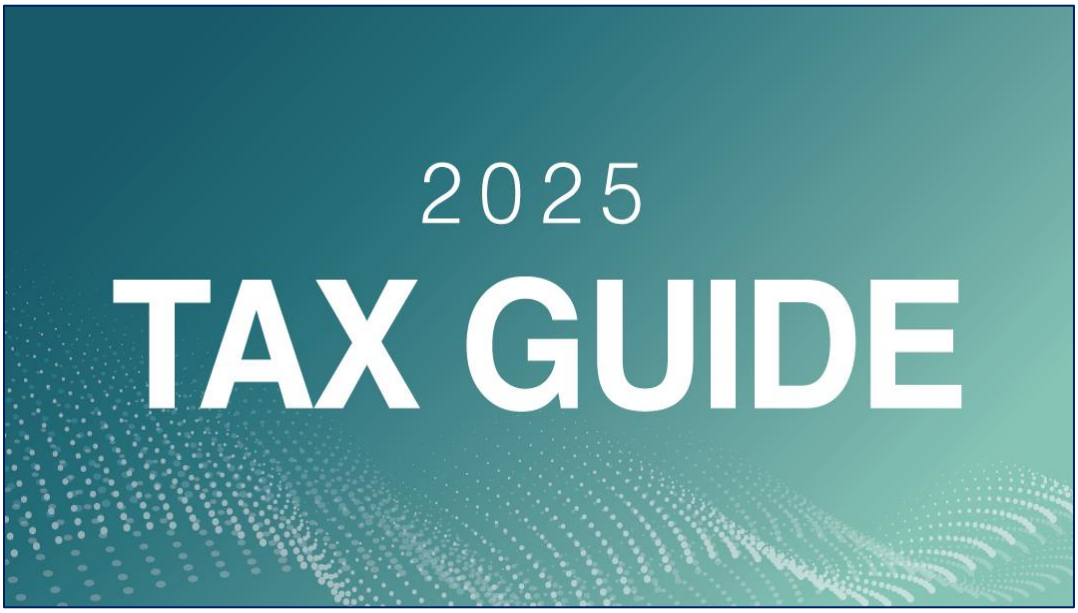

How to Prepare for Tax Season

Omni 360 Advisors LLC

This guide will explore how tax filing may look different this tax year and what you can do to prepare. Remember that this guide is for informational purposes only and is not a replacement for real-life advice, so consult your tax, legal, and accounting professionals before modifying your strategy.

The Tax Brackets

The tax brackets are 10, 12, 22, 24, 32, 35, and 37 percent. Here are the tax brackets and the corresponding income ranges:[1]

2024 Tax Rate	Single	Married Filing Jointly
10%	$0 to $11,600	$0 to $23,200
12%	$11,601 to $47,150	$23,201 to $94,300
22%	$47,151 to $100,525	$94,301 to $201,050
24%	$100,526 to $191,950	$201,051 to $383,900
32%	$191,951 to $243,725	$383,901 to $487,450
35%	$243,726 to $609,350	$487,451 to $731,200
37%	$609,351+	$731,201+

Changes to the tax brackets mean that wage earners may fall into lower brackets this tax year. Here is one example: A single filer at $100,000 in taxable income would have fallen into the 24 percent bracket for tax year 2023. The filer would now be in the 22 percent tax bracket for 2024.

Remember that the tax brackets represent how much you will pay for each portion of your income. For example, if you make $125,000 for the 2024 tax year and are married filing jointly, you will pay 10 percent on the first $23,200, 12 percent on the next $71,100, and 22 percent on the final $30,700. You will not pay 22 percent on the entire $125,000 of your annual income.

Here is an overview of the standard deductions over the past two years:[1]

Tax Year	2023	2024
Single	$13,850	$14,600
Married filing jointly	$27,700	$29,200
Married filing separately	$13,850	$14,600
Head of household	$20,800	$21,900

IMPORTANT DEADLINES*

JANUARY 15, 2025

If you are self-employed or have other fourth-quarter income that requires you to pay quarterly estimated taxes, postmark this payment by January 15, 2025.

APRIL 15, 2025

FIRST QUARTER 2025 ESTIMATED TAX PAYMENT DUE

2024 INDIVIDUAL TAX RETURNS DUE

Most taxpayers have until April 15 to file tax returns. Email or postmark your returns by midnight on this date.

LAST DAY TO MAKE A 2024 IRA CONTRIBUTION

If you have not already contributed fully to your retirement account for 2024, April 15 is your last chance to fund a traditional IRA or a Roth IRA.

INDIVIDUAL TAX RETURN EXTENSION FORM DUE

If you cannot file your taxes on time, file your request for an extension by April 15 to push your deadline back to October 15, 2025.

JUNE 16, 2025
SECOND QUARTER 2025 ESTIMATED TAX PAYMENT DUE

SEPTEMBER 15, 2025
THIRD QUARTER 2025 ESTIMATED TAX PAYMENT DUE

OCTOBER 15, 2025
EXTENDED INDIVIDUAL TAX RETURNS DUE
You have until October 15 to file your 2024 tax return if you receive an extension.

*Tax deadlines on weekends or national holidays will be delayed until the following business day. Also, the IRS can adjust federal tax deadlines on short notice based on its assessment of financial or economic conditions.
**If you live in a location affected by a natural disaster, check with the IRS, as your tax-filing deadline may have been adjusted.

The Child Tax Credit

The 2024 Child Tax Credit allows a credit of up to $2,000 per child for 2024.

The credit is partially refundable and phases out at income thresholds of $200,000 (or $400,000 for married taxpayers filing jointly).[2]

Preparing for the Tax Season

Planning well before the tax season may help you better prepare for the unexpected. Here are several reasons to begin early:

- Your home, job, or relationships changed
- You need to start saving money if you may owe taxes
- You want to ensure you qualify for tax deductions

You can make changes throughout the year to ensure your tax preparations go smoothly. In particular, you can periodically assess your paycheck withholdings to get a refund or reduce or eliminate your tax burden.

You should track and store your tax and other financial records to avoid delays or frantic preparations as the filing deadline approaches. Records may include W-2 forms, canceled checks, certain receipts, and previous returns.

Here is a list of other items to start gathering:

- Pay stubs
- Mortgage payment records
- Closing paperwork on home purchases
- Receipts for items or services you may want to claim as itemized deductions
- Records of charitable giving and donations
- Mileage logs on cars used for business
- Business travel receipts
- Credit card and bank statements to verify deductions
- Medical bills
- 1099-G forms for state and local taxes
- 1099 forms for dividends or other income

During the first few months of 2025, ensure you receive your W-2 and 1099 forms and other tax documents. Leave adequate time to collect documents and prepare to file your taxes before the April 15, 2025 deadline.

Tightening the Nuts and Bolts

Here are some additional ways to prepare this year for next year's tax season:

Look at last year: Look at last year's return. In the months ahead, you may still have the opportunity to contribute more to your retirement plan, which may lower your taxable income.

Donate to charity: How about "bunching" your charitable donations? Bunching allows you to optimize your deduction allowances by making two or more years' worth of charity donations in one year.

Let's say you are married, expect to itemize your deductions, and anticipate making $15,000 in annual donations. By donating $30,000 in one year and skipping the next, you may be able to qualify for a higher deduction.[3]

Review capital losses: Consider deducting capital losses if you are investing in the financial markets. You can claim deductions if you experience losses, but you can claim losses only if they exceed capital gains. You can claim the difference of up to $3,000 per year if you are married filing jointly or $1,500 if you are filing separate returns. Net losses that exceed $3,000 can be carried over into future years.[4]

Deductions for capital losses can only apply to investment property sales, not to the sale of investment property held for personal use.

Get organized: Find a place to store your tax documents until it is time to prepare to file. A sound recordkeeping system may alleviate concerns later as the deadline gets closer.

If you store your documents or prior returns on your computer, back them up on a thumb drive or other device or system in case your computer is hacked or stolen.

Consider other taxes: Monitor local and state government requirements that may affect your tax situation.

How Long?

The IRS provides recommended timelines for retaining financial documents:[5]

1. You should keep your tax records for three years if #4 and #5 below do not apply.
2. You should keep records for three years from the original filing date of your return or two years from the date you paid your taxes if you claimed a credit or refund after you filed your return. Select whichever is the later date.
3. You should keep your records for seven years if you claim a loss from worthless securities or a bad debt deduction.
4. You should keep your records for six years if you failed to report income that you should have and the payment was more than 25 percent of the gross income listed on your return.
5. Keep records indefinitely if you do not file a return.
6. You should keep employment tax records for at least four years after the due date or after you paid the taxes. Select whichever is later.

This Special Report is not intended as a guide for the preparation of tax returns. The information contained herein is general in nature and is not intended to be and should not be construed as legal, accounting, or tax advice or opinion. No information herein was intended or written to be used by readers for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions. Readers are cautioned that this material may not be applicable to or suitable for their specific circumstances or needs and may require consideration of non-tax and other tax factors if any action is to be contemplated. Readers are encouraged to consult with professional advisors for advice concerning specific matters before making any decisions. This material was prepared by FMG, and the information given has been derived from sources believed to be accurate. This is not intended as a guide for the preparation of tax returns, nor should it be construed as legal, accounting, or tax advice. This information is subject to legislative changes and is offered "as is," without warranty of any kind. Publisher and provider assume no obligation to inform readers of any changes in tax laws or other factors that could affect the information contained herein.

Citations

1. IRS.gov, 2025
2. IRS.gov, 2025
3. IRS.gov, 2025
4. IRS.gov, 2025
5. IRS.gov, 2025