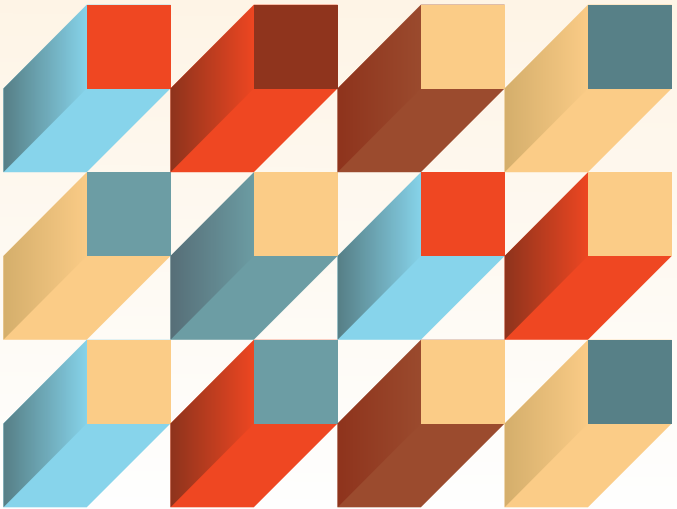


2024 - 2025

# Tax Planning Guide

YEAR-ROUND STRATEGIES TO MAKE THE TAX LAWS WORK FOR YOU



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Dear Clients and Friends,

Although you can't avoid taxes, you can take steps to minimize them. This requires proactive tax planning — estimating your tax liability, looking for ways to reduce it and taking timely action.

To help you identify strategies that might work for you in 2024, we're pleased to present this tax planning guide. It explains recent tax law changes of significance, and it notes some tax law changes that have been proposed. It also provides a refresher on the extensive changes that generally went into effect six years ago under the Tax Cuts and Jobs Act (TCJA) — and their potential impact on tax planning.

Understanding the ins and outs of federal tax law — including recent changes and the TCJA provisions that are scheduled to expire after 2025 — and determining which steps to take aren't easy. That's why it's important to work with an advisor who's well-versed in all the ways you can save tax.

We can provide the advice you need. Most tax reduction strategies must be implemented by Dec. 31 — and some even sooner. So please contact us at your earliest convenience to discuss how we can help you develop a tax plan for 2024 and beyond.

Best regards,

**Rice Sullivan, LLC**

# Taxable vs. nontaxable income: Do you know the difference?

**M**ost taxpayers are well aware that salaries, investment earnings and business income are generally subject to federal income tax. But many are less certain about other types of income. Here are some examples that might help clarify the differences:

Taxable income	Nontaxable income
Proceeds from surrendering a life insurance policy that are in excess of the policy's cost	Life insurance proceeds paid to you, as long as the policy wasn't turned over to you for a price
Unemployment benefits	Workers' compensation benefits (unless they're part of a retirement package)
Disability insurance income if <i>your employer</i> paid the premiums	Disability insurance income if <i>you</i> paid the premiums
Income from bartering, based on the fair market value of property or services you receive	Cash rebates from a dealer or manufacturer
Punitive damages	Compensatory damages for physical injury or sickness
Rents from personal property (such as equipment) if the rental activity is a business	Rents from your principal residence or vacation home if you rent it out for fewer than 15 days during the year
Reimbursements or cash advances for extravagant travel expenses	Travel expense reimbursements or cash advances under an "accountable plan"
Gambling winnings (including winnings from lotteries, raffles, sports betting and casinos), cash prizes, and the fair market value of noncash prizes, such as cars and trips	Gifts and inheritances

Note that this list isn't all-inclusive, and many rules and exceptions apply. So please check with us to find out which items of your income are taxable and what you might do to minimize tax.

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