The Importance of Tax Planning

We believe "tax planning" is a commonly used phrase, but isn't completely understood. It is a process that analyzes and arranges your income and assets in ways that can postpone or avoid taxes. The phrase "tax avoidance" gets confused a lot with "tax evasion," which is illegal. Tax avoidance by definition, is the use of legal methods to modify an individual's or businesses financial situation in order to lower the amount of income tax owed. This is generally accomplished by claiming permissible deductions and credits**.**

When you employ effective tax planning strategies, you have more money to save, invest or both. Moreover, knowing the unknown, can be a powerful motivation during the year. Unfortunately, so many people and businesses continue to make huge mistakes tax wise and it costs them annually at tax time. If you fail to plan most often times you just fail. The key is to think ahead so you don't learn the hard way. It can be as basic as a W-2 employee situation where we increase tax withholdings based on current income tax projections. Utilizing this strategy often times is the basis for having enough money to pay your first installment of your real estate tax bill.

At Marnell Financial Services, we pride ourselves on doing various levels of tax planning for the most basic situation to the most comprehensive. Each plan is unique to your specific circumstances and with the ever changing tax laws it is literally impossible to effectively do this without running the numbers. We provide scenarios that help you keep your dollars, which eventually can help you accumulate assets. Any dollar we can save you today by planning can be set aside and used somewhere else in your financial planning and budgeting process. We think by employing planning initiatives with us, you will ultimately benefit in many ways. As so many of our clients do during the year, we urge you to request this service from us because if can add layers to your asset base in the years to come.