# TOP 10 MYTHS MOST TAXPAYERS BELIEVE

1. **There's nothing I can do about the amount of tax I owe**

   The tax code is full of CHOICES we can make to make sure we aren't tipping the IRS. Withholdings, filing status, qualified accounts, business structure, timing of income, and the list goes on. Don't choose inaction.

2. **There's nothing I should do about the amount of tax I owe**

   There are no patriotic awards for paying extra to the IRS. You *should* only pay what you owe and look for every opportunity to owe less. Proactive tax planning gives you more control over how your hard-earned dollars are spent.

3. **Getting a refund means I've won the tax game for the year**

   A refund is just an interest free loan to the IRS. That's it. It tells us nothing about how much the IRS kept. Taking intentional steps to reduce the total tax *kept* by the IRS is how we can get ahead and stop leaving the IRS a tip.

4. **All CPAs are tax planning experts**

   CPAs spend most of their time on compliance, getting the forms filed each year. Having a tax preparer can be a great resource but it does not mean you have someone looking for proactive planning opportunities.

5. **It's too early to worry about my Retirement Tax**

   Many tax savings opportunities are capped annually on how much you can benefit from them. The earlier someone starts being intentional about taxes the better.

6. **Tax laws are written by tax experts**

   Tax laws come from politicians. Period. Tax laws are about generating revenue and influencing behavior. The back-door Roth was literally created by accident. This means you can't make assumptions about what is "logical", that is not how the tax code was written. You or someone on your team must be dedicated to tax planning to get the full value from the process.

7. **Tax laws are always changing so there's no point planning for the future, it's all just a guess**

   See Myth #1. Doing nothing is still a choice. Acting on proposed changes has heightened risk, and any tax planning (just like all planning) must include the risk of change.

8. **My employer doesn't offer a 401k so I can't contribute to qualified retirement accounts**

   There are numerous ways employees and business owners can take advantage of qualified contributions. There are also non-retirement accounts, such as health savings accounts that taxpayer can take advantage of whether offered by an employer or not.

9. **I have a CPA, I don't need a financial planner**

   See Myth #4. There are of course exceptions, but not many. It is great to have a CPA in your corner but having a CPA on your team does not mean you have a tax planner on your team. If you hold tightly to this myth, ask yourself "what did your CPA tell you when they reviewed your tax projection for the next year? Next 5 years?" In most cases, a tax preparer is not looking at projections.

10. **$1,000,000 in my IRA means I can withdraw $1,000,000 when I retire**

    Deferring taxes is like having a variable rate mortgage with the IRS without any regulation on what the rates can be. Make sure you understand the tax liability that will eventually come due.

"This piece is provided for information only and is in no way tax advice. While every effort has been made to ensure accuracy, only the IRS tax code itself should be considered official."