2025 YEAR-END TAX CHECKLIST

CAPITA FINANCIAL NETWORK

Must Be Done Before December 31, 2025

1 Avoid Underpayment Penalties

Calculate and pay the lower of:

- 90% of your current year's tax liability, or
- 100% of your prior year's liability (110% if AGI > $150,000)

2 Capital Gain Harvesting

- Sell appreciated investments to potentially lock in gains within the 0% long-term capital gains tax bracket.

3 Tax Loss Harvesting

- Sell investments with losses to offset current and future gains or carry forward up to $3,000 per year.

4 Adjust Retirement Account Contributions

- Change your 401(k) or other employer plan contributions before December 31st, 2025.

5 Max Outside Personal Retirement Accounts

- Look at your personal retirement accounts to ensure you are on target to reach your contribution goal before year-end.
- Deadline for 2025 Roth and Traditional IRA contributions: April 15, 2026

6 Roth Conversions

- Convert Traditional IRA money to Roth IRA money before December 31, 2025 to manage future taxable income.

7 Use Up Flex Saving Account or Other "Use-It-or-Lose-It" Benefits

- Spend remaining balances before the plan year ends to prevent leaving any money on the table.

8 Review & Sign Up for Employee Benefits & Employer Plans

- Go through your benefit package and make all elections for 2026.

9 Required Minimum Distributions & Qualified Charitable Distributions

- If of age, withdraw RMDs by December 31, 2025.
- If 70.5+, consider a QCD up to $108,000.

10 Finalize Charitable Giving

- Estimate your itemized deductions.
- Compare your estimate against the standard deduction.
- Make donations before December 31, 2025 to claim current-year deductions.

Bonus Things to Keep in Mind at Year-End

Filing Status Changes 11

- Did you have a life event that changed your filing status?

Review Any Taxable Transactions 12

- Document any transaction that changed your income throughout the year. (Ex: home sale, dividends, interest, job change, pay raise, etc.)

Mock Up 2025 Tax Return 13

- Take your tax situation from last year and mock it up into a hypothetical tax return for 2025.