



2023 CAPITAL GAINS CHEAT SHEET



Capital Gains: Short-Term vs. Long-Term

	Short-Term	Long-Term
Holding duration	Less than one year	One year or more
Taxed as	Ordinary Income Rates	Capital Gains Rates

ORDINARY INCOME TAX RATES¹ FOR SHORT-TERM CAPITAL GAINS

SINGLE FILERS

Taxable Income	Tax Rate
\$0 - \$11,000	10%
\$11,001 - \$44,725	12%
\$44,726 - \$95,375	22%
\$95,376 - \$182,100	24%
\$182,101 - \$231,250	32%
\$231,251 - \$578,125	35%
\$578,126 and up	37%

HEAD OF HOUSEHOLD

Taxable Income	Tax Rate
\$0 - \$15,700	10%
\$15,701 - \$59,850	12%
\$59,851 - \$95,350	22%
\$95,351 - \$182,100	24%
\$182,101 - \$231,250	32%
\$231,251 - \$578,100	35%
\$578,101 and up	37%

MARRIED FILING JOINTLY OR QUALIFYING WIDOW

Taxable Income	Tax Rate
\$0 - \$22,000	10%
\$22,001 - \$44,725	12%
\$44,726 - \$89,450	22%
\$89,451 - \$190,750	24%
\$190,751 - \$364,200	32%
\$364,201 - \$462,500	35%
\$462,501 and up	37%

TRUSTS AND ESTATES

Taxable Income	Tax Rate
\$0 - \$2,900	10%
\$2,901 - \$10,550	24%
\$10,551 - \$14,450	35%
\$14,451 and up	37%

<https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2023>

<https://www.forbes.com/advisor/taxes/taxes-federal-income-tax-bracket/>

LONG-TERM CAPITAL GAINS RATES BASED ON TAXABLE INCOME

Filing Status	0% Rate	15% Rate	20% Rate
Single	Up to \$44,625	\$44,626 - \$492,300	Over \$492,300
Married Joint	Up to \$89,250	\$89,251 - \$553,850	Over \$553,850
Married Separate	Up to \$44,625	\$44,626 - \$276,900	Over \$276,901
Head of Household	Up to \$59,750	\$59,751 - \$523,050	Over \$523,050

<https://www.bankrate.com/investing/long-term-capital-gains-tax/>

THREE STRATEGIES TO POTENTIALLY REDUCE CAPITAL GAINS TAXES

- 1. Strategically time your asset sales.** Gains on assets held less than a year are taxed at ordinary income rates. Gains on assets held longer than one year are taxed at capital gains rates, which are generally lower than ordinary income rates.
- 2. Harvest losses.** You can use capital losses to offset capital gains. Assume you have capital gains of \$10,000 but have one asset that has declined by \$2,000. You can sell the declined asset and lock-in the \$2,000 loss as an offset, reducing your capital gains to \$8,000.
- 3. Sell assets in low-income years.** If you suffer a decline in income for a year, that could be a good time to sell assets and realize gains. As a single filer, you pay a 0% capital gains rate if your income is \$44,625 or less. For married couples, the number is \$89,250.

Ready to develop your capital gains tax strategy? Let's talk about it. Contact us today to schedule an introductory conversation.

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Let's talk about it. Reach out today to start the conversation.

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The information contained herein is based on our understanding of current tax law. The tax and legislative information may be subject to change and different interpretations. We recommend that you seek professional legal advice for applicability to your personal situation.

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