

# A multiyear approach makes the most of tax-smart strategies

*Taxes can significantly erode your investment returns, but strategic multiyear planning can help you keep more of your gains.*

*By selecting the most relevant strategies for your needs and strategically timing when you deploy them, you can optimize their benefits and effectively manage your tax burden over multiple years.*



**James Bergeron, J.D.**  
Advisor Education Specialist

## START WITH THE BASICS

Before selecting individual tax-smart strategies or tax-efficient vehicles, set yourself up for success with some foundational steps:

- **Max out tax-deferred contributions** to 401(k)s and IRAs
- **Coordinate your team** of investment and tax advisors
- **Adopt a multiyear mindset** when considering specific transactions

## IMPORTANT QUESTIONS TO DISCUSS WITH YOUR FINANCIAL PROFESSIONALS

The right strategies and solutions for minimizing the impact of taxes on your investment returns depends on your specific circumstances as well as your financial objectives.

### 1. Will you be in a higher tax bracket next year?

Looking at income over multiple years can help guide decisions about **when to take deductions** for maximum benefit.

### 2. Do you own a business?

Business owners should choose **business depreciation** methods carefully and time asset purchases for optimal tax treatment.

### 3. Do you own investment real estate you no longer want?

Evaluate **tax-advantaged alternatives to selling** appreciated property, which generally entails paying capital gains taxes in the year of the sale. **1031 UPREIT** programs offer a means to defer taxes on gains while maintaining an investment in real estate.

### 4. Are there opportunities to use investment losses to your tax advantage?

Portfolio losses can be leveraged to increase your overall after-tax returns. **Separately managed accounts, including direct indexing vehicles**, provide always-on tax-loss harvesting that allows for greater optimization of portfolio gains and losses.

### 5. Have you been subject to the alternative minimum tax (AMT) in the past?

AMT can significantly increase your tax bill, but smart income timing can help. **Municipal bonds** offer tax-free income that doesn't count toward AMT calculations, making them especially valuable if you're in this situation.

### 6. Should you move money from your traditional IRA to a Roth IRA this year?

Weigh the benefit of converting tax-deferred assets into **tax-free assets** against the tax consequences in the year you convert. You may want to take a laddered approach over multiple years.

### 7. Have you moved to a different state or locality?

You may be facing different state and local taxes. **State-tax-free funds** may help offset some of your tax burden.

### 8. Are you considering exercising employee stock options?

Time the exercise for a tax year when your income will be relatively low or pair the transactions with **charitable giving** to offset the impact on AGI for AMT purposes. Alternatively, you might spread the exercise over multiple years.

### 9. Are you planning to transfer wealth?

Compare the tax implications for you and for heirs of gifting during your lifetime vs. passing assets at death via your estate. With a \$15 million lifetime gift and estate transfer exclusion amount, cost basis may be a more important consideration than estate tax.

### 10. Can you time your charitable donations to maximize tax savings?

**Bunching gifts** in years when your taxes will be highest can help maximize the value of deductions.

Although you should consider the potential tax consequences of your investment choices, the main driver of your decisions should always be your financial goals. Work with your financial and tax professionals to develop a tax-efficient strategy to pursue your short- and long-term objectives. **For more information, please consult with your financial professional.**

**For financial professionals, please contact Nuveen at 800-221-9271. Visit us at [Nuveen.com](http://Nuveen.com)**

This material is provided for informational and educational purposes only. It is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or investment strategy and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with their financial advisors. Financial professionals should independently evaluate the risks associated with products or services and exercise independent judgment with respect to their clients.

The TIAA group of companies does not provide legal or tax advice. Please consult with your personal legal or tax advisor regarding your personal circumstances. Tax rates and IRS regulations are subject to change at any time, which could materially affect the information provided herein.

All investments carry a certain degree of risk, including the loss of principal. Investment objectives may not be met.

Nuveen, LLC provides investment solutions through its investment specialists.