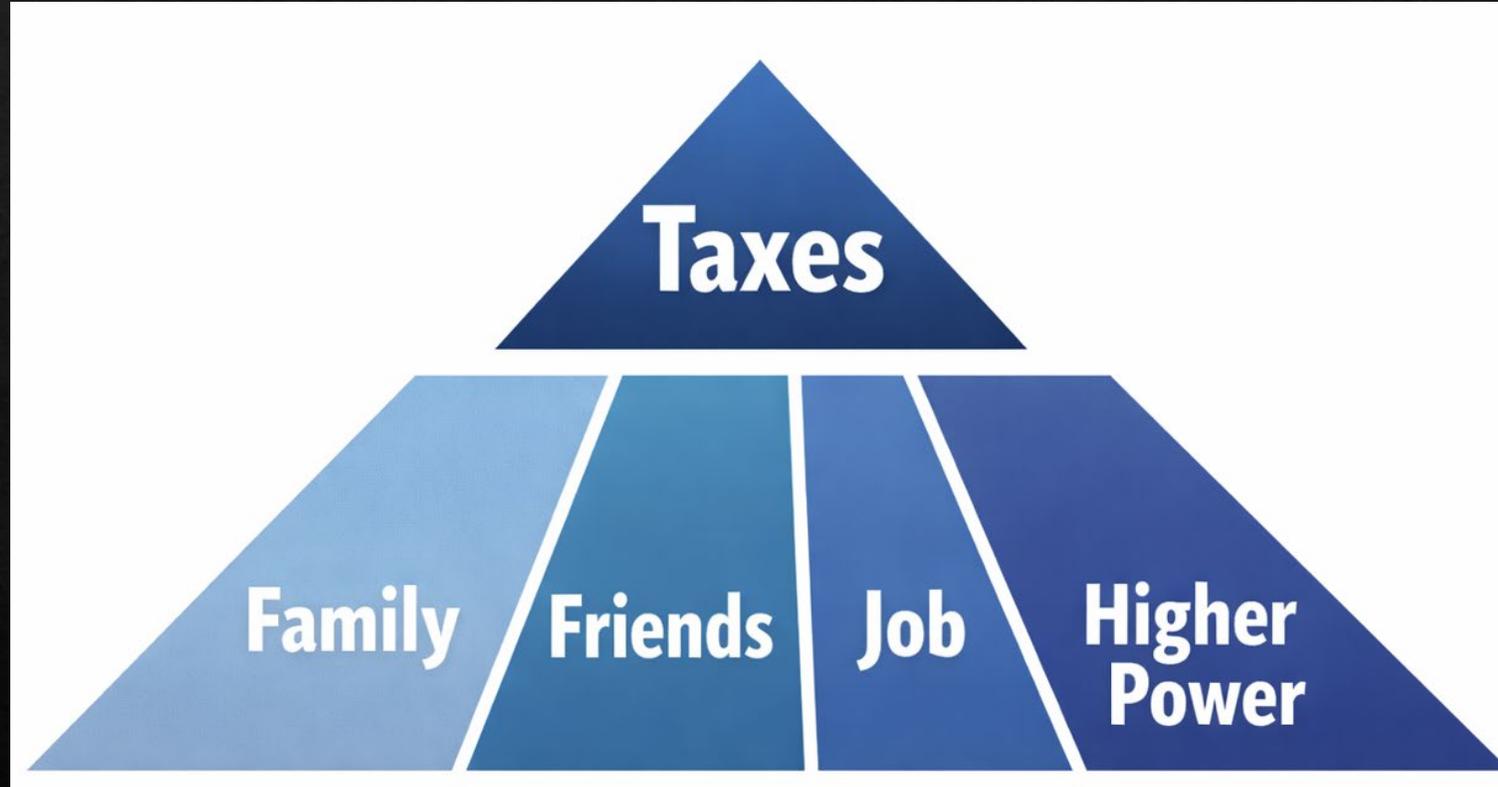
The background of the slide is a dense field of 3D-rendered numbers in various shades of blue and white. The numbers are scattered across the frame, creating a sense of depth and complexity. A dark blue rectangular box is overlaid on the right side of the image, containing the title and presenter information.

You Oughta Know... Taxes

Presented by: Bridget Harris

Tax Hierarchy



Types of Taxes

- Corporate
- Income
- Payroll
- Property
- Sales
- Self Employment
- Social Security
- Capital Gains
- Tariffs
- Estate Tax
- And many more ...



U.S. GOVERNMENT Incomes & Expenditures

FISCAL YEAR 2024

TOTAL OUTLAYS
\$6.75T

Outlays: Total amount the government spends on public services, programs, and other expenses

The U.S. government budget summarizes the federal government's final revenue (receipts) from taxes and other sources, and expenditures (outlays) on public services and other expenses.

Receipts: Total revenue the government collects from taxes and other income sources

TOTAL RECEIPTS
\$4.92T



U.S. federal government fiscal year runs from Oct. 1 to Sept. 30



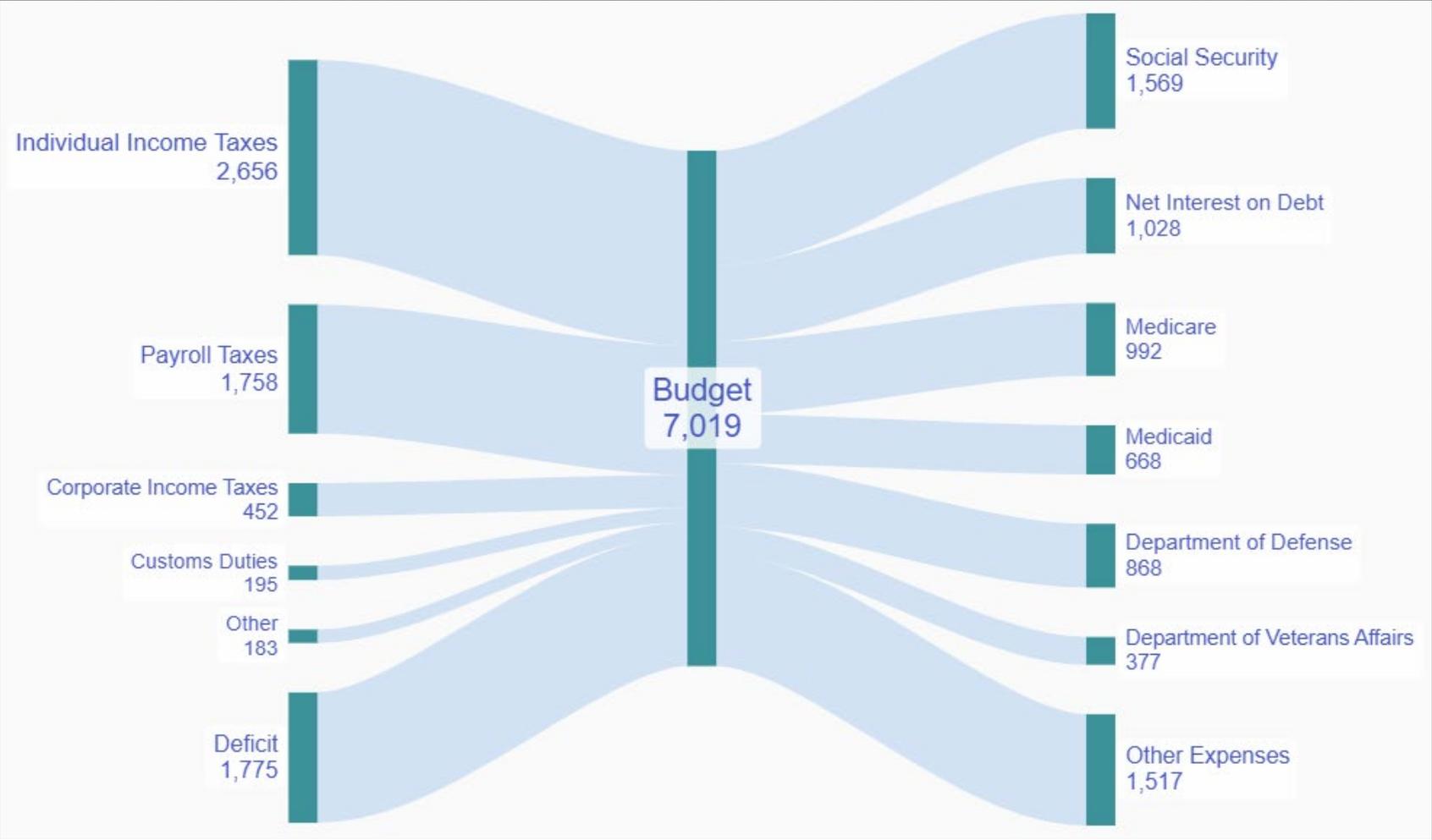
Source: U.S. Department of the Treasury

U.S. Government Income & Expenditures

Fiscal Year 2025 (billions)

Revenue:
\$5,244

Expenses:
\$7,019



Types of Entities

- ◆ Sole Proprietorship
 - ◆ Owned by one person and no distinction between business and individual
- ◆ Partnership
 - ◆ Owned by two or more individuals/entities
- ◆ Limited Liability Company
 - ◆ Combines the limited liability of a corporation with the flexibility and tax benefits of a partnership or sole proprietorship
- ◆ S Corporation
 - ◆ Corporation that elects to pass corporate income, losses, deductions, and credits through to its shareholders for federal tax purposes
- ◆ C Corporation
 - ◆ A legal entity that is separate and distinct from its owners (shareholders)

US Tax Brackets (2025)

| 2025 Tax Rate | Single | Married Filing Jointly | Married Filing Separately | Head of Household |
|----------------------|------------------------|-------------------------------|----------------------------------|--------------------------|
| 10% | \$0 to \$11,925 | \$0 to \$23,850 | \$0 to \$11,925 | \$0 to \$17,000 |
| 12% | \$11,926 to \$48,475 | \$23,851 to \$96,950 | \$11,926 to \$48,475 | \$17,001 to \$64,850 |
| 22% | \$48,476 to \$103,350 | \$96,951 to \$206,700 | \$48,476 to \$103,350 | \$64,851 to \$103,350 |
| 24% | \$103,351 to \$197,300 | \$206,701 to \$394,600 | \$103,351 to \$197,300 | \$103,351 to \$197,300 |
| 32% | \$197,301 to \$250,525 | \$394,601 to \$501,050 | \$197,301 to \$250,525 | \$197,301 to \$250,500 |
| 35% | \$250,526 to \$626,350 | \$501,051 to \$751,600 | \$250,526 to \$375,800 | \$250,501 to \$626,350 |
| 37% | \$626,351 or greater | \$751,601 or greater | \$375,801 or greater | \$626,351 or greater |

US Tax Brackets (2026)

| 2026 Tax Rate | Single | Married Filing Jointly | Married Filing Separately | Head of Household |
|---------------|------------------------|------------------------|---------------------------|------------------------|
| 10% | \$0 to \$12,400 | \$0 to \$24,800 | \$0 to \$12,400 | \$0 to \$17,700 |
| 12% | \$12,401 to \$50,400 | \$24,801 to \$100,800 | \$12,401 to \$50,400 | \$17,701 to \$67,450 |
| 22% | \$50,401 to \$105,700 | \$100,801 to \$211,400 | \$50,401 to \$105,700 | \$67,451 to \$105,700 |
| 24% | \$105,701 to \$201,775 | \$211,401 to \$403,550 | \$105,701 to \$201,775 | \$105,701 to \$201,750 |
| 32% | \$201,776 to \$256,225 | \$403,551 to \$512,450 | \$201,776 to \$256,225 | \$201,751 to \$256,200 |
| 35% | \$256,226 to \$640,600 | \$512,451 to \$768,700 | \$256,226 to \$384,350 | \$256,201 to \$640,600 |
| 37% | \$640,601 or greater | \$768,701 or greater | \$384,350 or greater | \$640,601 or greater |

Tax Rates Around the World

| Country | Highest Tax Rate |
|----------------|---------------------------------|
| Australia | 45% |
| Belgium | 50% |
| Brazil | 27.5% |
| Canada | 33% Fed, Province 5.06 – 25.75% |
| France | 45% |
| Greece | 47% |
| Italy | 43% |
| Monaco | 0% |
| Netherlands | 49.5% |
| Japan | 45% |
| Kosovo | 10% |
| Switzerland | 40% |
| Turkey | 40% |
| United Kingdom | 45% |
| United States | 37% |



Capital Gain Tax Rates

- ◆ Applies to capital gains and qualified dividends

| Tax Rate | Single | Married Filing Joint |
|----------|----------------------|----------------------|
| 0% | \$0 - \$49,449 | \$0 - \$98,899 |
| 15% | \$49,450 – \$545,499 | \$98,900 – \$613,699 |
| 20% | \$545,500 or more | \$613,700 or more |

Net Investment Income Tax (NIIT)

◇ 3.8 % Tax

| Filing Status | Threshold |
|---------------|----------------|
| Single | \$200,000 MAGI |
| MFJ | \$250,000 MAGI |
| MFS | \$125,000 MAGI |

Federal Tax Due Dates

- ◇ Individual
 - ◇ April 15th (Extension)
 - ◇ October 15th (Final)

Extension is an extension of time to file, not pay.

Oil & Gas Taxation



Ways to Invest in Oil and Gas

- ◆ Publicly Traded Stock
- ◆ Energy ETF (IXC, DRLL, SCO, etc.)
- ◆ Direct Participation Programs (Working & Royalty Interests)
- ◆ Mineral Rights Ownership
- ◆ Private Equity and Partnerships
- ◆ Futures & Options

Common Tax Deductions

- ◇ Intangible Drilling Costs
 - ◇ Expense Immediately
 - ◇ Amortize over 5 years (60 months)
- ◇ Depletion
 - ◇ Higher of Cost or Percentage/Statutory Depletion
 - ◇ Barrel limitations

Cost Depletion

- ◇ Calculated based on the annual production for each property
- ◇ The percentage of reserves produced during the year multiplied by the basis of the property will produce the cost depletion deduction for that year.

| Property | Basis | Beg. Reserves (bbls) | Production (bbls) | Rate | Depletion |
|---------------|-------|----------------------|-------------------|------|------------|
| Property A | 100 | 1,000 | 500 | 50% | 50 |
| Property B | 1000 | 1,000 | 100 | 10% | <u>100</u> |
| Net Depletion | | | | | 150 |

Percentage/Statutory Depletion

- ◇ Calculated based on the annual revenue for each property
- ◇ 15% percentage of revenue generated during the year will produce the statutory depletion deduction for that year

| Property | Production | Price (bbl) | Revenue | 15% | Depletion |
|---------------|------------|-------------|---------|-----|-----------|
| Property A | 500 | 5 | 2,500 | 375 | 375 |
| Property B | 100 | 5 | 500 | 75 | <u>75</u> |
| Net Depletion | | | | | 450 |

Total Depletion

- ◆ The greater of the two depletion deductions will be the sustained (total) depletion deduction for the tax year

| Property | Cost Depletion | Statutory Depletion | Sustained Depletion |
|---------------|----------------|---------------------|---------------------|
| Property A | 50 | 375 | 375 |
| Property B | 100 | 75 | <u>100</u> |
| Net Depletion | | | 475 |

Excess Depletion

- ◇ As a property is depleted the basis associated with that property is reduced
- ◇ When a property has no remaining basis, cost depletion stops
- ◇ Statutory depletion continues despite the absence of basis

| Property | Beg. Basis | Current Depletion | Ending Basis | Excess Depletion |
|------------|------------|-------------------|--------------|------------------|
| Property A | 100 | 375 | 0 | 275 |
| Property B | 1,000 | 100 | 900 | 0 |

One Big Beautiful Bill



Business

- ◇ Bonus depreciation – 100% deduction of qualifying property
 - ◇ Acquired and placed in service after January 19, 2025
- ◇ Pass-Through Entity Tax (PTET) – Deduct state taxes at an entity level, bypassing the SALT cap of \$40,000
- ◇ Charitable Contributions – 1% floor
- ◇ Meals – starting in 2026, meals are 0% deductible if at the convenience of the employer
- ◇ Section 199A – Qualified Business Income Deduction
 - ◇ 20% Qualified Business Income Deduction is now permanent

Individuals

- ◇ Senior Deduction – \$6,000 per person for those 65 and older
- ◇ Personal Car Loan Interest up to \$10,000
 - ◇ Starts 2025 tax year
 - ◇ Phase out starts at \$100,000 Single and \$200,000 Joint Filers
- ◇ State and Local Tax (SALT) –SALT cap increased to \$40,000 from \$10,000
 - ◇ Phase out starts at \$500,000 AGI
- ◇ Charitable Deductions – above the line, starts 2026
 - ◇ \$1,000 Single or \$2,000 joint for cash donations to qualified charities
- ◇ Reduced Tax on Overtime - \$12,500 Single or \$25,000 Joint Filers
 - ◇ Phase out starts at \$150,000 Single and \$300,000 Joint Filers

Trump Accounts (530A Account)

- ◇ \$1,000 bonus for children born between 2025 - 2028
- ◇ Contribution up to \$5,000 a year for children under 18
 - ◇ Parents/Guardians, Family Members, Friends
- ◇ Establish account by filing Form 4547
- ◇ Required to be invested in funds that mirror the S&P or other American stock indexes
- ◇ Funds grow tax deferred
- ◇ At 18 the account automatically converts into a traditional IRA
- ◇ Account will be available July 4, 2026

\$5,000 One Time Contribution @ 30

Your estimated savings

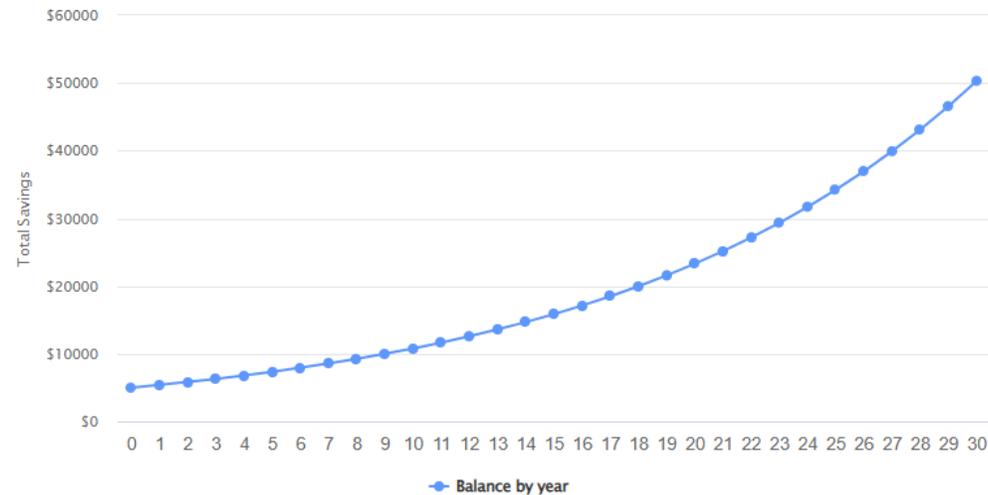
\$50,313.28

Total amount contributed

\$5,000.00

Total interest

\$45,313.28



\$5,000 One Time Contribution @ 10

Your estimated savings

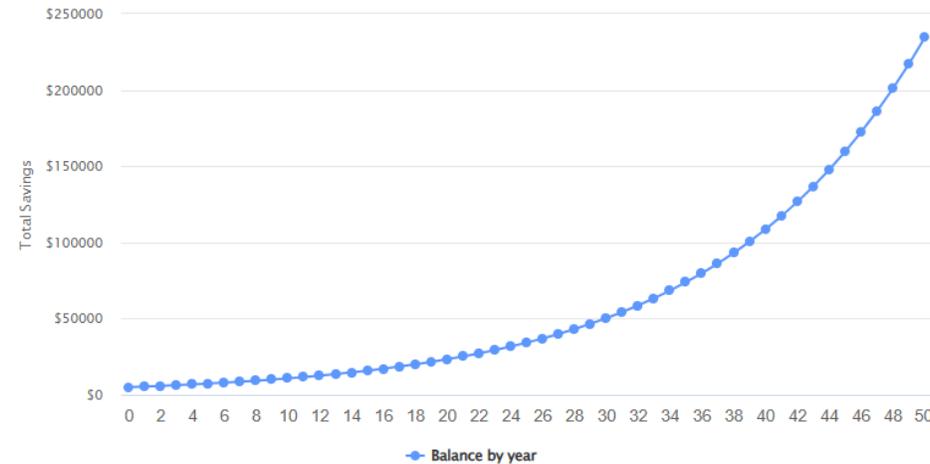
\$234,508.06

Total amount contributed

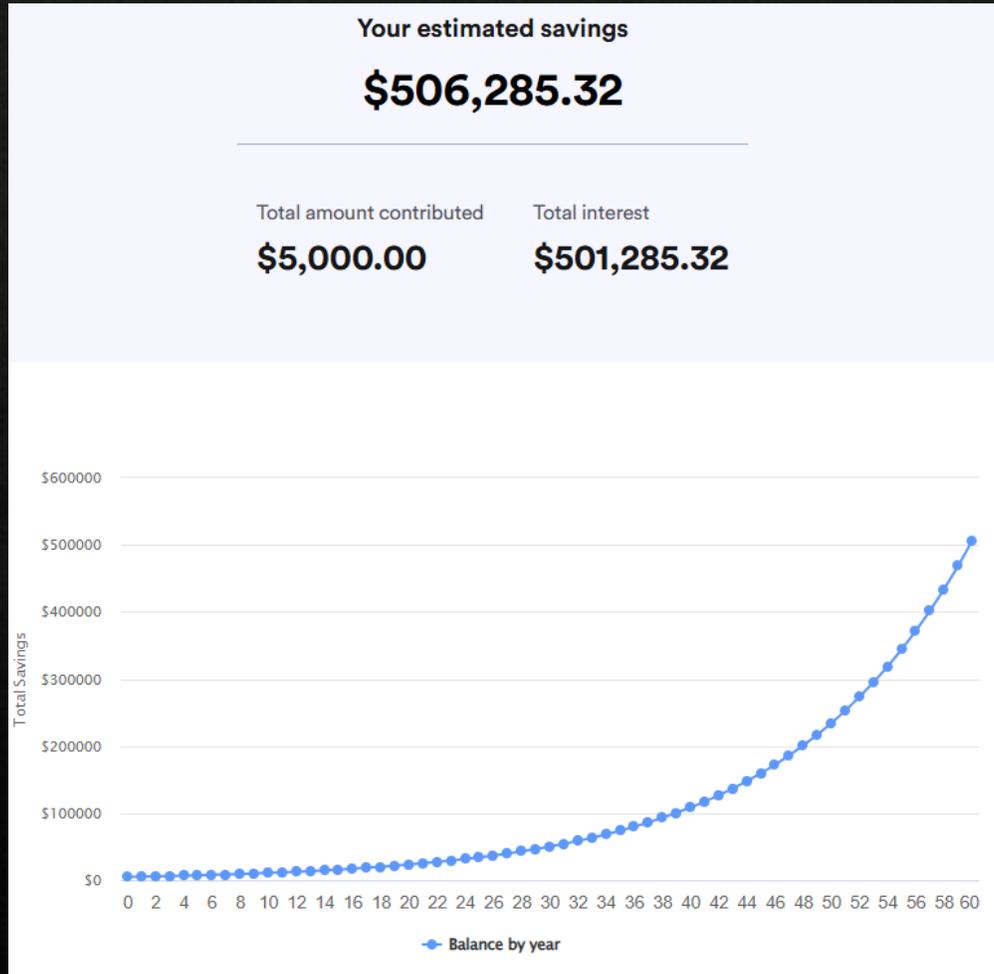
\$5,000.00

Total interest

\$229,508.06



\$5,000 One Time Contribution @ 0



“

*You must pay taxes. But there's no law that says
you gotta leave a tip.*

”

Morgan Stanley

Disclaimer: This is not financial advice. Please consult a tax advisor.

“

Scared money don't make money.

”



Kandi Burruss, Icon

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