Advanced Tax Planning: Cap Gains Not in Accounts

06/30/2025 3:52 pm EDT

Under the Advanced Tax Planning feature there is a way you can model additional tax liabilities and credits that are not captured in other places in the structured income plan so that you can calculate future tax estimates as accurately as possible. This guide will walk you through using the Advanced Tax Planning features. This tool allows you to model additional tax liabilities and credits. By including these details, you can calculate future tax estimates as accurately as possible.

Below is a hypothetical example if a client sold an investment real estate property in year 3 that resulted in a long term capital gain of \$475,000.

If you haven't followed the steps to ensure your accounts, incomes, and expenses are setup correctly for Advanced Tax Calculations, see articles:

- Tax Calculation Options: Adding Assets into a Structured Income Plan
- Tax Calculation Options: Adding Incomes and Expenses into a Structured Income Plan

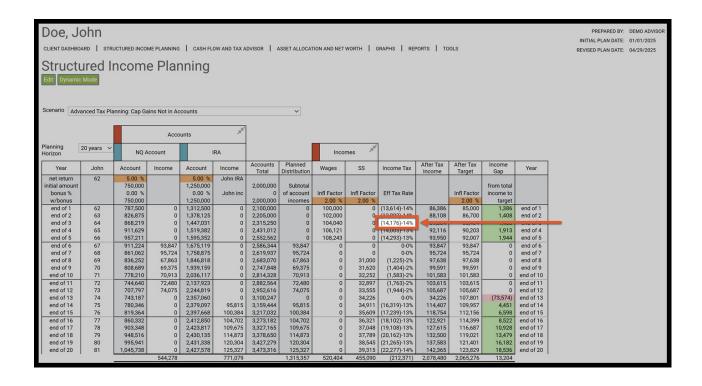
To learn more about Advanced Tax Planning functions see articles:

- Understanding the Advance Tax Planning Page
- Capital Gains Not in Accounts
- Other Schedule 1 Income: a K1 Hypothetical Example
- Other Schedule 1 Income: An Employer Match 401(k) Hypothetical Example
- Income Adjustments
- Schedule A Override
- QBI Override
- Tax Credits
- Approx. State Tax

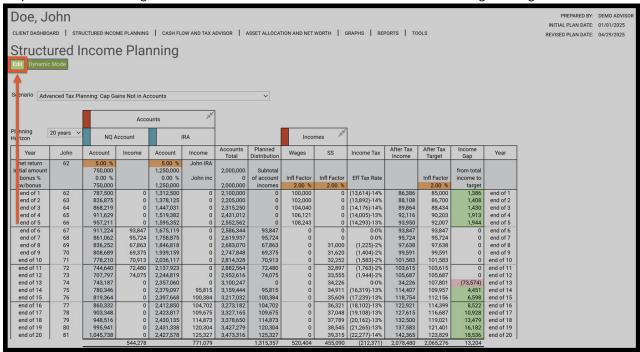
To learn more about forecasting effective tax rates see articles:

• Part One: Forecasting Effective Tax Rates While the Client is working

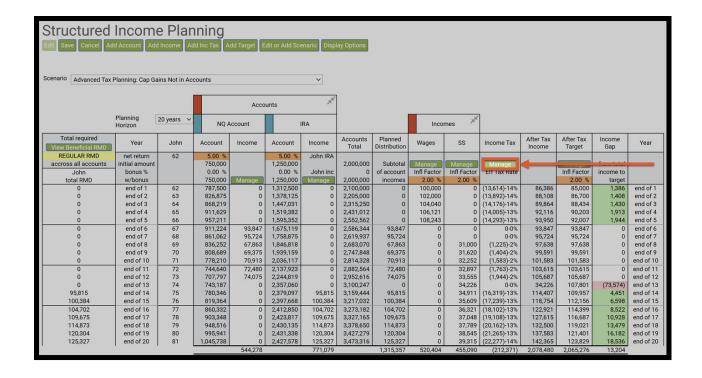
Step 1: Income Tax Column Year 3: Note the amounts that are in the income tax column for year 3.



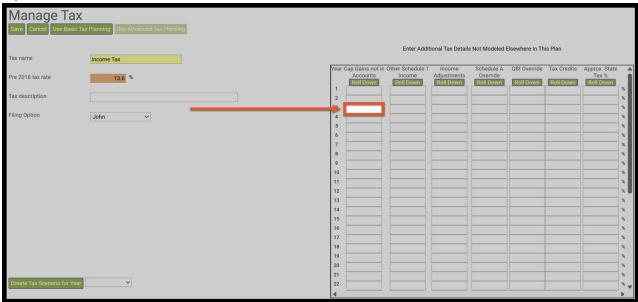
Step 2: Edit: Click on the green Edit button underneath the Structured Income Planning Heading.



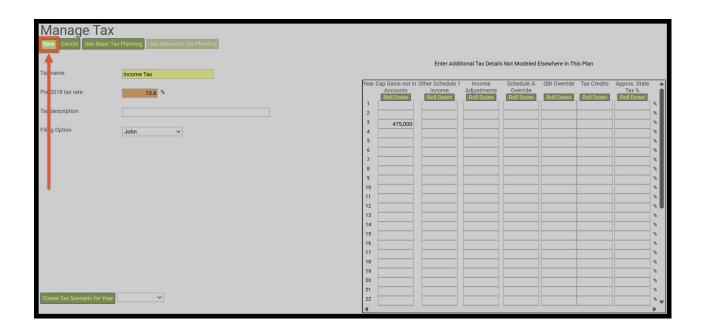
Step 3: Manage: Click on the green Manage button within the Income Tax column.



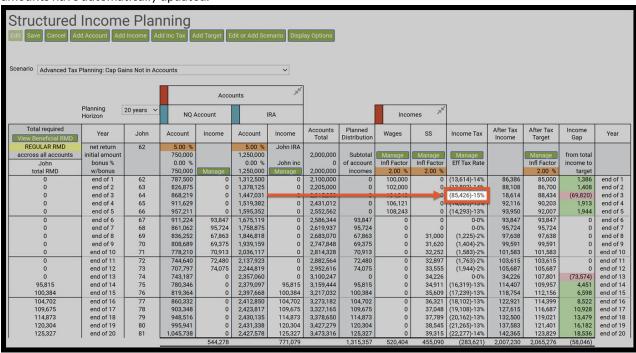
Step 4: Cap Gains Not in the Account: In year 3, type in \$475,000. Enter a negative number to model a long-term capital loss.



Step 5: Save: Click on the green save button underneath the Manage Tax Heading.

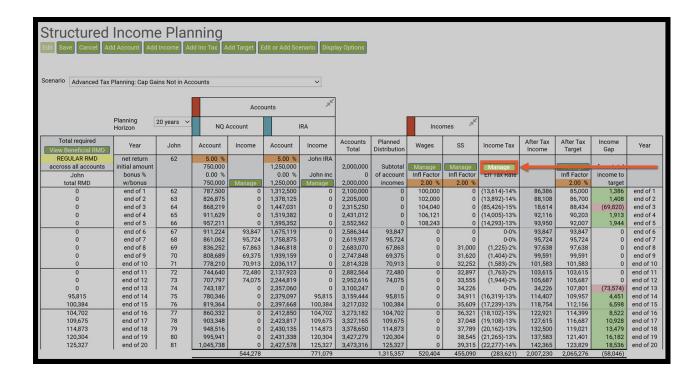


Step 6: Structured Income Plan: SIPS will automatically take you to the Structured Income Planning page. Year 3 amounts have automatically updated.

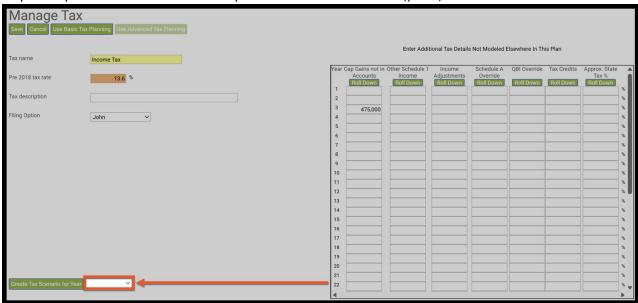


To understand the calculation process, follow the steps below. You will create a scenario in the Cash Flow and Tax Advisor page that has all of the details SIPS uses to calculate taxes for that year.

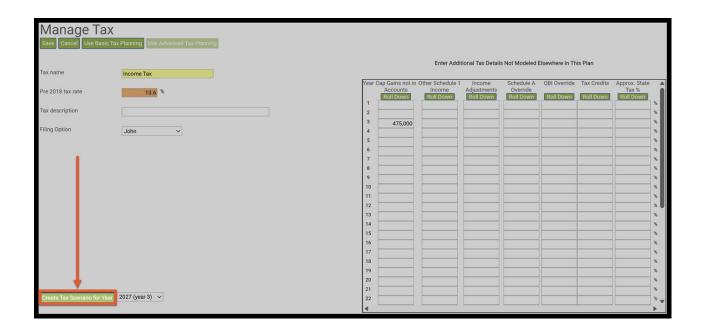
Step 7: Manage: Click on the green Manage button within the Income Tax column.



Step 8: Dropdown Arrow: Click on the dropdown arrow and select 2027 (year3).



Step 9: Create Tax Scenario for Year: Click on the green Create Tax Scenario for Year button.



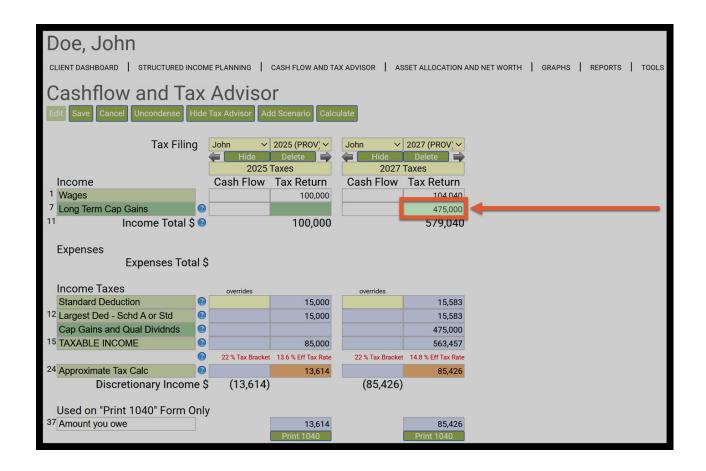
Step 10: Cash Flow and Tax Advisor: You will automatically be taken to the Cash Flow and Tax Advisor page, where the new tax scenario will appear on the right hand side of the screen.



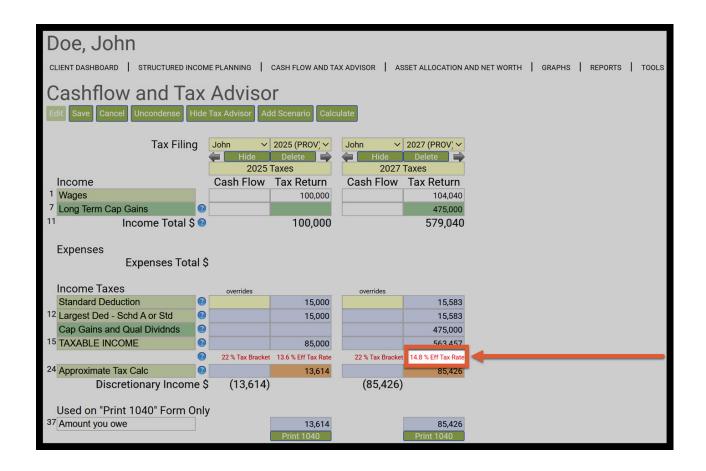
Step 11: Condense: Click on the green condense button underneath the Cashflow and Tax advisor Heading to condense the displayed data.



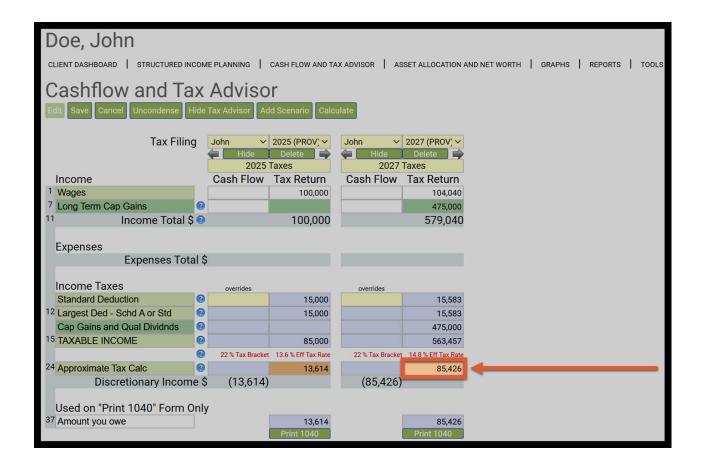
Step 12: Long Term Capital Gains: The amount of \$475,000 will automatically populate on the tax return side.



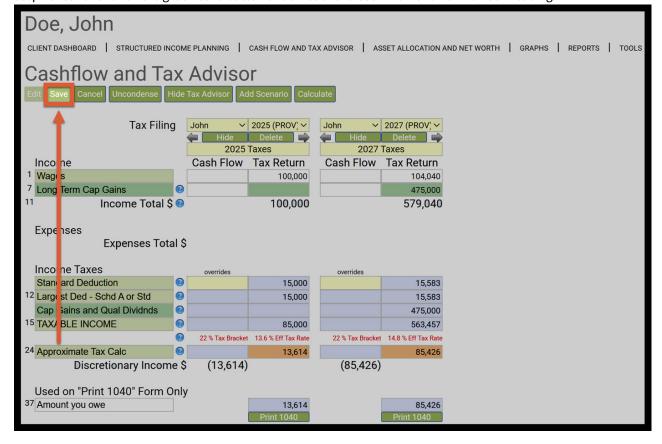
Step 13: Effective Tax Rate: Note the effective tax rate. This rate will be automatically reflected in Year 3 of the structured income plan. The effective tax rate rounded for display purposes.



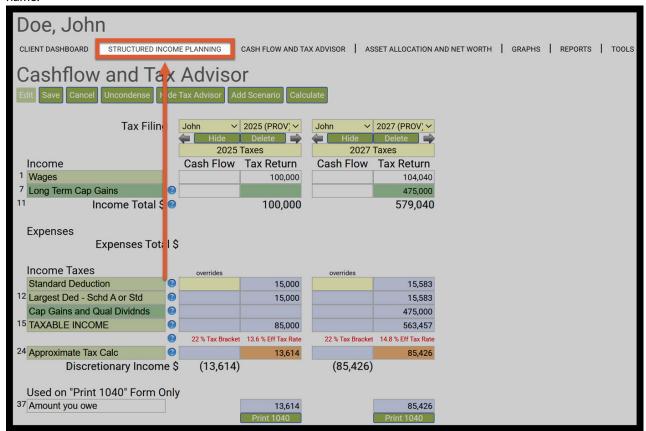
Step 14: Approximate Tax Calc: Note the Tax Return calculation. The dollar amount will identical to the one on the Structured Income Planning page.



Step 15: Save: Click on the green Save button underneath the Cash Flow and Tax Advisor heading.



Step 16: Structured Income Planning: Click on the Structured Income Planning heading underneath the Clients name.



Step 17: Structured Inome Planning Page: You will automatically be taken back to the Structured Income Planning Page. The effective and approximate tax rates should automatically be changed to the amounts that were configured on the Cash Flow and Tax Advisor page.

Structured Income Planning															
Edit Save Cancel Add Account Add Income Add Inc Tax Add Target Edit or Add Scenario Display Options															
Scenario Advanced Tax Planning: Cap Gains Not in Accounts															
						-									
				Accounts											
	Planning Horizon	20 years 🗸	NQ Account		IRA				Inco	mes 🤘					
Total required View Beneficial RMD	Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	Wages	SS	Income Tax	After Tax Income	After Tax Target	Income Gap	Year
REGULAR RMD	net return	62	5.00 %		5.00 %	John IRA	0.000.000	0.14.4.1						f	
accross all accounts John	initial amount bonus %		750,000 0.00 %		1,250,000	John inc	2,000,000	Subtotal of account	Manage Infl Factor	Manage Infl Factor	Manage Eff Tax Rate		Manage Infl Factor	from total income to	
total RMD	w/bonus		750,000	Manage	1,250,000	Manage	2,000,000	incomes	2.00 %	2.00 %	Ell Tax Rate		2.00 %	target	
0	end of 1	62	787,500	0	1,312,500	0	2,100,000	0	100,000		(13,614)-14%	86,386	85,000	1,386	end of 1
0	end of 2	63	826.875	0	1,378,125	0	2,205,000	0	102,000	0	(12 002) 149	88,108	86,700	1,408	end of 2
0	end of 3	64	868,219	0	1,447,031	. O	2,010,200		10 1,0 10		(85,426)-15%	18,614	88,434	(69,820)	end of 3
0	end of 4	65	911,629	0	1,519,382	0	2,431,012	0	106,121	0	(14,000)-100	92,116	90,203	1,913	end of 4
0	end of 5	66	957,211	0	1,595,352	0	2,552,562	0	108,243	0	(14,293)-13%	93,950	92,007	1,944	end of 5
0	end of 6	67	911,224	93,847	1,675,119	0	2,586,344	93,847	0	0	0-0%	93,847	93,847	0	end of 6
0	end of 7	68	861,062	95,724	1,758,875	0	2,619,937	95,724	0	0	0-0%	95,724	95,724	0	end of 7
0	end of 8	69	836,252	67,863	1,846,818	0	2,683,070	67,863	0	31,000	(1,225)-2%	97,638	97,638	0	end of 8
0	end of 9	70	808,689	69,375	1,939,159	0	2,747,848	69,375	0	31,620	(1,404)-2%	99,591	99,591	0	end of 9
0	end of 10	71	778,210	70,913	2,036,117	0	2,814,328	70,913	0	32,252	(1,583)-2%	101,583	101,583	0	end of 10
0	end of 11	72	744,640	72,480	2,137,923	0	2,882,564	72,480	0	32,897	(1,763)-2%	103,615	103,615	0	end of 1
0	end of 12	73	707,797	74,075	2,244,819	0	2,952,616	74,075	0	33,555	(1,944)-2%	105,687	105,687	0	end of 12
0	end of 13	74	743,187	0	2,357,060	0	3,100,247	0	0	34,226	0-0%	34,226	107,801	(73,574)	end of 13
95,815	end of 14	75	780,346	0	2,379,097	95,815	3,159,444	95,815	0	34,911	(16,319)-13%	114,407	109,957	4,451	end of 14
100,384	end of 15	76	819,364	0	2,397,668	100,384	3,217,032	100,384	0	35,609	(17,239)-13%	118,754	112,156	6,598	end of 1
104,702	end of 16	77	860,332	0	2,412,850	104,702	3,273,182	104,702	0	36,321	(18,102)-13%	122,921	114,399	8,522	end of 1
109,675	end of 17	78	903,348	0	2,423,817	109,675	3,327,165	109,675	0		(19,108)-13%	127,615	116,687	10,928	end of 1
114,873	end of 18	79	948,516	0	2,430,135	114,873	3,378,650	114,873	0	37,789	(20,162)-13%	132,500	119,021	13,479	end of 1
120,304	end of 19	80	995,941	0	2,431,338	120,304	3,427,279	120,304	0	38,545	(21,265)-13%	137,583	121,401	16,182	end of 19
125,327	end of 20	81	1,045,738	0	2,427,578	125,327	3,473,316	125,327	0	39,315	(22,277)-14%	142,365	123,829	18,536	end of 20
				544,278		771,079		1,315,357	520,404	455,090	(283,621)	2,007,230	2,065,276	(58,046)	7.

If you feel you need more support or would like to set up demo time with one of our representatives, please contact us at: +1-888-449-6917 or support@planscout.com.