

# Offsetting Annuity Gains

\$120,000 deferred annuity with a \$20,000 gain

Current assumed taxable income	\$ 50,000
Taxable gains from existing annuity	<u>\$+20,000</u>
NEW current year taxable income	\$ 70,000

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Current year tax deduction (50% of AGI)	<u>\$ -35,000</u>
Adjusted current year taxable income	\$ 35,000

## Remainder CARRY FORWARD

Total tax deduction available	\$ 48,186
Deduction used this year	<u>\$ -35,000</u>
Remaining deduction carried forward to next year	\$ 13,186