

Let's Talk About...

How to Prepare for Tax Season

Tax season can be stressful, but preparing now can help your tax filing go smoothly later (as well as help you optimize your tax savings). Here are some tips to help you get ready for tax season and reduce your tax burden in 2025.

Organize Your Financial Records

Depending on your income, filing status, and qualifying expenses, you may be eligible for tax deductions or tax credits that can help reduce your overall tax liability. Start reviewing the types of deductions and credits you may be eligible for and start gathering any required documentation. Review [NerdWallet's Tax Prep Checklist](#) for a list of the specific documents you'll need when it's time to file your taxes. You should receive tax documents from your employer and any other institutions you did business with the previous year by the end of January.

Develop a system to track deductible expenses and other important financial records. This can be as simple as creating a dedicated folder for physical receipts or using digital storage solutions such as Google Drive, Microsoft OneDrive, or Notion. This proactive approach will help you avoid last-minute scrambling during tax season. The better prepared you are, the less time and money it may take for a tax preparer to file your return.

Maximize Retirement Contributions

Consider maximizing your contributions to tax-advantaged retirement accounts such as the Halliburton Retirement and Savings Plan. Not only does it help you save for the future, but it can also reduce your taxable income for the current year. For more on this topic, see ["Let's Talk About...Setting Yourself Up for Financial Success in 2025"](#).

As a reminder, when you contribute at least 6% of your salary to your Plan account, you will get the full matching contribution from Halliburton (100% of the first 4% you contribute plus 50% of the next 2% you contribute).

Estimate Your Tax Liability

Taking time to estimate your tax liability early can provide valuable insights into your financial situation and help you plan for 2025. You can use tax calculators, such as those found at [TurboTax](#) and [H&R Block](#), or consult with a tax professional, to estimate your tax liability.

Whichever route you choose, it will give you a clearer picture of what to expect and allow you to make any necessary adjustments to your financial plans.

How Your Investments Can Impact Your Tax Liability

Keep in mind the potential tax consequences when making investment decisions.

- The length of time you hold onto your investments can make a difference. If you sell an investment within a year of buying it, it's considered short-term, and you might end up paying higher taxes on any profits you make. On the other hand, if you hold onto an investment for more than a year, you could qualify for lower tax rates.
- If you pursue a strategy called tax loss harvesting, you may potentially reduce the amount of taxes you owe. Tax loss harvesting involves selling investments that have gone down in value to offset any gains you've made and potentially lower your overall tax bill. Keep in mind that there are some rules and limitations, so it's a good idea to consult with a tax professional to follow this strategy correctly.

Invest Your Tax Refund

Rather than treating your tax refund as extra spending money, consider investing it to boost your savings. Depending on your financial goals and risk tolerance, you can allocate some or all of your refund towards long-term investments such as stocks, bonds, or retirement accounts. By investing your tax refund, you can potentially grow your wealth and make progress toward your long-term financial goals. For more on this topic, see ["Let's Talk About...What to Do When Money Comes Your Way"](#).

Seek Guidance from Financial or Tax Advisors

Understanding the tax system can be challenging, especially as tax laws and regulations change. Consult a financial or tax advisor to receive personalized guidance based on your unique situation, so that you can make informed decisions and maximize your tax benefits.

For help finding a financial or tax advisor, check out a professional financial planning association's free database as a starting point. Here are the ones Forbes recommends:

- [NAPFA \(The National Association of Personal Financial Advisors\)](#)
- [Garrett Planning Network](#)
- [XY Planning Network](#)
- [ACP \(Alliance of Comprehensive Planners\)](#)

Sources:

[8 Steps To Take Before You Prepare Your Taxes \(Investopedia\)](#)

[How to Maximize Your Tax Return \(Investopedia\)](#)

[How to Cut Investment Taxes \(Fidelity\)](#)

[How to Choose a Financial Advisor \(Forbes\)](#)

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