New Article Asks, "How Is Passive Real Estate Investment Taxed?"

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Wealthward Capital, based in Cedar Park, TX, has published a new article: How is Passive Real Estate Investment Taxed. As the title suggests, the article pulls on the team?s extensive expertise and experience in the industry in order to share how an investor can make the most of IRS tax breaks as well as the benefits offered by real estate assets.

?America's wealthiest families are waist-deep in passive real estate investing and other passive income investments,? states the article. ?Real estate investments are one of the most lucrative investments around because of numerous IRS tax breaks and benefits that real estate assets offer. Passive income investors supplement their gross income through passive activities and then reduce that gross income through passive activity losses.?

Accordingly, such investors vastly prefer to rely on real estate because they understand that money can be generated in several ways. Wealthward Capital identifies these as Cash Flow, Appreciation, Equity Paydown and Depreciation. The firm?s own strategies rely on some of these methods more than others, but their overall goal is always to help the tech community take their ordinary incomes and achieve extraordinary

outcomes. In other words, they seek to help people use the money they already have to create even more. This is also why the firm prefers investing in real estate: it offers a great deal of potential for investors who aim to ?keep more than they make,? a key concept that Wealthward Capital strives to teach their community about.

The article also touches on one concern that many may have ? whether they would even be able to participate meaningfully in real estate since many opportunities in this industry are only available to accredited investors. Fortunately, it notes that, ?Many tech employees are already accredited investors and don't even know it! Being an accredited investor is not only based on the total value of your assets, but can also be calculated according to the earned income from your employment.?

Where tax rates on income is concerned, the company says that taxes paid on earned income are not the same as taxes paid on gains made from passive income. Some may rightly point out that passive rental income is taxed according to the investor?s tax bracket, and this figure can be sizable. However, it can also be mitigated to a great extent by correctly utilizing a depreciation expense. Wealthward Capital goes so far as to state that passive income obtained from real property is preferable to other types of passive income (such as royalty payments or dividends).

Crucially, the article points out that rental property incomes will typically be considered passive even if the investor has materially participated in the activity. When they figure in operating expenses, an annual depreciation expense and so on, they will find that the final taxable amount has been lowered by a significant amount. This is not the extent of the strategy, however, as other tax benefits may also apply following this reduction. The article says, ?Once the above items have been deducted, the individual investor will pay tax on that rental income according to his or her marginal tax rate. The rate of these taxes will be determined at both federal and state level.? A real-world example is provided at this point in the article, and Wealthward Capital encourages readers to pay close attention to this section.

Here, the article explains the firm?s ?keep more than you make? ethos. Passive rental income essentially allows investors to keep more of what they make since passive losses and paper losses can be used to offset their passive profit. This is only possible with real estate income. The firm explains, ?By keeping more of what you make, you technically ?make? more. It is our philosophy that your hard-earned money should work for you, and that it should be sending you hard cash every month because of its returns. The whole point of passive real estate investing is to general supplemental income to what you're already earning.?

Wealthward Capital has several products that allow clients to boost their passive income. For more information, the firm invites interested parties to read their article in full. Similarly, they may reach out to the

team directly to schedule a more thorough and personalized consultation. Wealthward Capital can be reached via phone, email and social media.

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Wealthward Capital

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