**BizBoost News**

**Volume 11, Issue 6**

**For distribution 9/06/21; publication 9/09/21**

**Short-Term Capital Gains vs. Long-Term Capital Gains – What’s the Difference?**

Have you ever wondered why gains are separated between long-term and short-term when you receive your 1099 at tax time? There is a very good reason for that, and one you might want to consider more carefully when investing.

Short-term capital gains are derived if you hold an investment one year or less before disposing of it. Short-term gains are taxed as “ordinary income,” the same rate you pay on wages or business profits.

Long-term capital gains, on the other hand, are generally taxed no higher than 20% and could be taxed at 0%, depending on your income. See the table below:

|  |  |  |  |
| --- | --- | --- | --- |
| Tax Filing Status | Income range at  0% Rate | Income range at  15% Rate | Income range at  20% Rate |
|  |  |  |  |
| Single | 0 - $40,400 | $40,401 to $445,850 | > $445,850 |
| Married Filing Jointly | 0 - $80,800 | $80,801 to $501,600 | > $501,600 |
| Married Filing Separately | 0 - $40,400 | $40,401 to $250,800 | > $250,800 |
| Head of Household | 0 - $54,100 | $54,101 to $473,750 | > $473,750 |
|  |  |  |  |

Exceptions to the long-term capital gains tax rate are collectibles such as art, jewelry, and precious metals. These are taxed at 28% regardless of your income. Bear in mind, though, that tax rates on ordinary income range from 10% to 37%.

Be sure to keep this information in mind when managing your investments. It could make a BIG difference come tax time!

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**Tweets**

Insert a link to your newsletter, web site or blog before you post these:

Our latest blog: “Short-Term Capital Gains vs. Long-Term Capital Gains – What’s the Difference?” is available now. Subscribe here: [link]

Short-term capital gains are derived if you hold an investment one year or less before disposing of it, and are taxed at the same rate you pay on wages or business profits. Long-term capital gains, on the other hand, are generally taxed no higher than 20% and could be taxed at 0%, depending on your income. Learn more here: [link]

Have you ever wondered why gains are separated between long-term and short-term when you receive your 1099 at tax time? Learn the difference between long and short-term gains in our latest blog article: [link]

Business Tip: The difference between short-term and long-term gains is important and should be considered carefully when investing. Learn about these differences in our latest blog article: [link]

DID YOU KNOW: Short-term capital gains are derived if you hold an investment one year or less before disposing of it. After one year, they become long-term gains. Learn more here: [link]

Long-term capital gains are generally taxed no higher than 20% and could be taxed at 0%, depending on your income. Exceptions to the long-term capital gains tax rate are collectibles such as art, jewelry, and precious metals. Find out more here: [link]

When investing, it is important to understand the difference between short-term and long-term capital gains, as the amount you are taxed on them can differ significantly. Find out more here! [link]

In our latest blog article, we explain the difference between short-term and long-term gains, and what effect they could have on your specific tax situation. Sign up for our newsletter to learn more: [link]