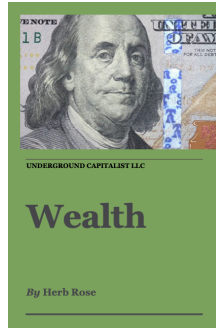


Help Wanted

WRITERS, WEB
DEVELOPERS,
CRYPTO ENGINEER



They Broke It

THE FED FINALLY
BROKE THE BANK.
INCREASING
INTEREST RATES
CAUSED BANK
COLLAPSE



THE UNDERGROUND

Pay \$0 Taxes

Disclaimer: We are not accountants or lawyers. This is not tax advice. Speak with your accountant or lawyer to ensure you are complying with IRS rules. Please let us know if you believe there are any errors in the thoughts provided below.

Politicians like to tell us that some people and some companies don't pay taxes. Joe Biden has on multiple occasions told us that 55 companies paid \$0 taxes in 2020, and that the average Billionaire pays 3% in income tax. How do we do that? If we could pay \$0 income taxes we could put 30% or more back for our own retirement.



Benjamin Franklin

Death and Taxes

If a family earns less than \$25,900 they owe \$0 taxes. If you have two kids you can make another \$4,000 without paying taxes. There are some below the line deductions you can use to reduce your taxes: Contribute to a Traditional IRA, make some green energy investments, certain medical expenses, and a few others. All of these deductions are rarely used by families making less than \$100,000/year. When used by medium income earners these deductions are relatively insignificant. So when politicians tell us there are people and companies that don't pay taxes they are knowingly lying to us.

One website to check is www.itep.org. ITEP makes money every year publishing these lies. Look for their page on 55 companies that paid no taxes. We have reviewed many of these companies financial reports from 2020 and all of them either, paid millions in taxes, had a carryover loss or made no net

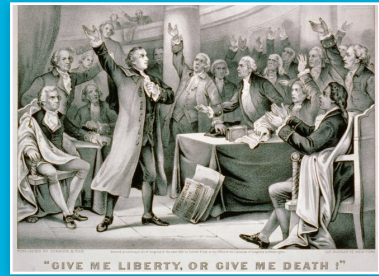
income. Making money in business is very difficult. Customers want a good deal but the business has to pay for raw materials, Labor, utilities, interest, taxes, and unexpected capital improvements. How is it ITEP could only find 55 companies that didn't make a profit. Shouldn't there be thousands of companies that didn't make a profit in any given year? The only way for a business to pay no taxes is to make no money. Don't believe the political lies.

So what can we do to minimize our personal income taxes?

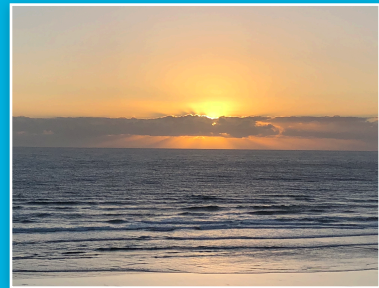
Make donations: If we donate a Babe Ruth signature baseball we discovered in our basement that has been there for years do we get a donation? Probably, after we pay for a recent appraisal from a qualified Appraisor. What if we bought the baseball before we donated it? The donation might be limited to your purchase price unless we keep it for a year and get a new appraisal. Most donations are not a silver bullet. Essentially we have an asset and we give it away causing a reduction of our net worth, transferring that amount from our taxes to the charity. We could also donate real estate after holding it for a year. To make it worthwhile, we need to get an appraisal significantly higher than our purchase price. If it is appraised based on reconstruction costs we might come out way ahead - if we can find an affordable appraiser to do that for us.

Business Losses: Business expenses can be reduced from your business income. Most businesses don't make high margins, so it pays to concentrate on creating income and reducing expenses. If you have

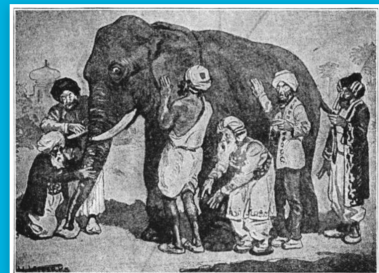
First Principles



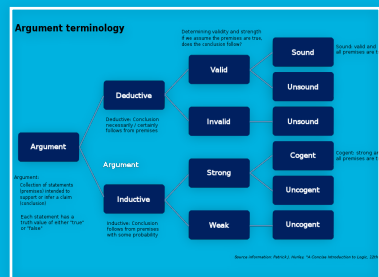
Courage



Faith in God



Knowledge



Critical Thought



Create Wealth

a business generating money and the associated tax burden, you can look into buying that company jet you always wanted. But if the jet is used for both business and personal use then you will need to assign a percentage of use for the business and deduct that percentage of the expense. Expect a visit from the IRS to make sure it's for business use. Personal stuff in your home office might make the space and utilities not deductible.

Lose a pile in the market: No deduction there! Passive losses are limited to \$3,000/year unless you have passive income. So if you lost \$100,000 in the dismal 2022 stock market; you can carry it forward to offset your 2023 gains. Let's hope there are gains.

Real Estate Agent License: If you have a real estate license, all of your real estate activities become active income/losses. A real estate agent can lose money investing in real estate and those losses will reduce the income from a spouse who is a high earning wage earner.

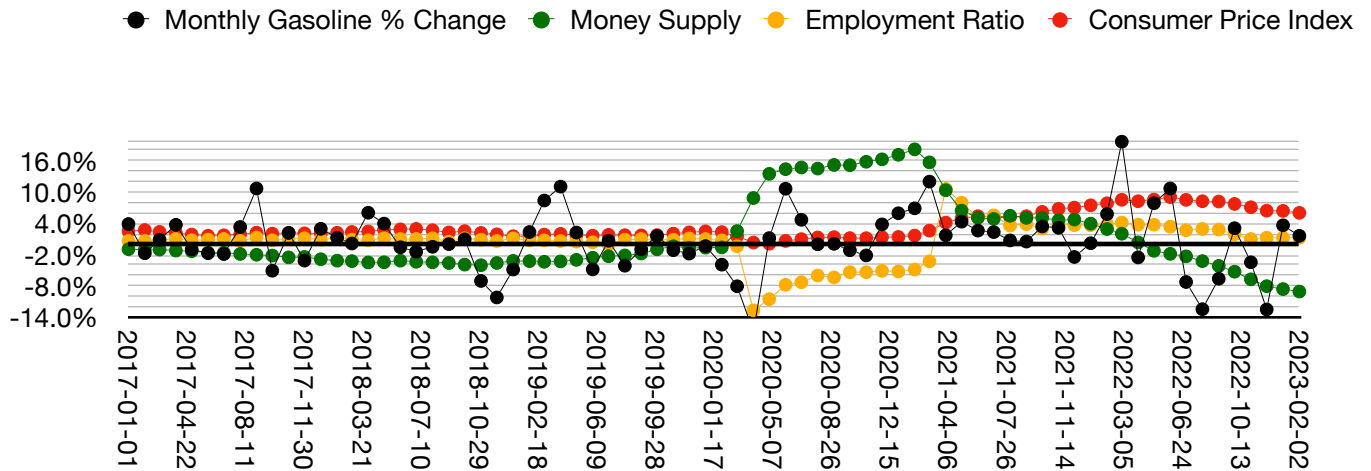
Depreciation: Real estate is depreciated over 27.5 years. So if you buy a \$1M apartment building you can depreciate the improvements (\$800k) over a 27.5 year time span. That's a \$29k annual deduction. If you are an agent and it is considered active losses that can have a tax reduction worth \$10k.

Participation in a Charity: Why do people want to be rich? So they can have a bunch of pictures of old guys on rectangular pieces of paper? No. People want to live better now and survive comfortably in the long term. So what would you buy in the short term and how much do you need in the long term? Short term we buy better and more stuff: home, food, car, art, school. Long term we buy like investors: stocks, precious metals, real estate, school. What if the charity owned the stuff you wanted and let you use it? Perhaps that's why we have church camps.

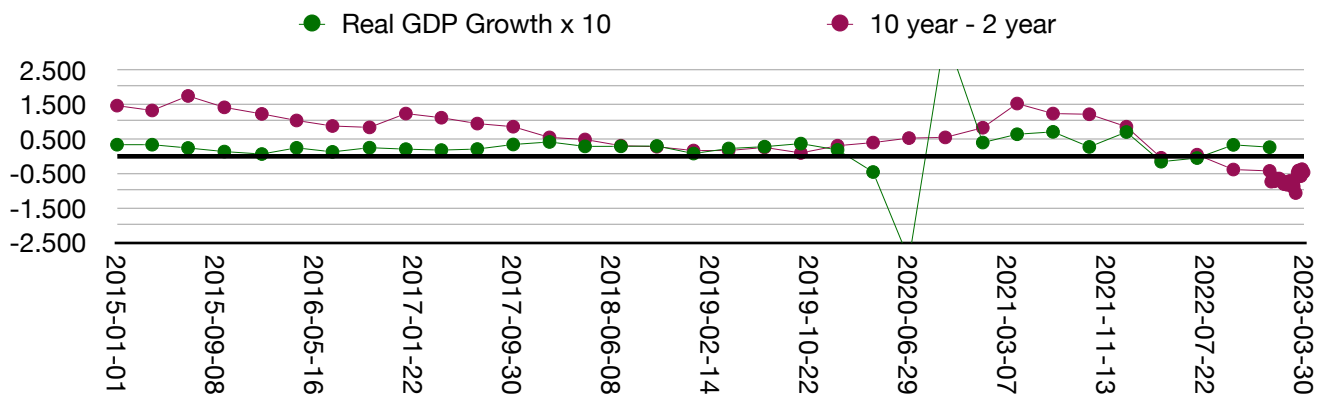
The only way to pay \$0 taxes is to not make money. Next month we will lay out some possible scenarios to maximize wealth creation.

Economic Dashboard

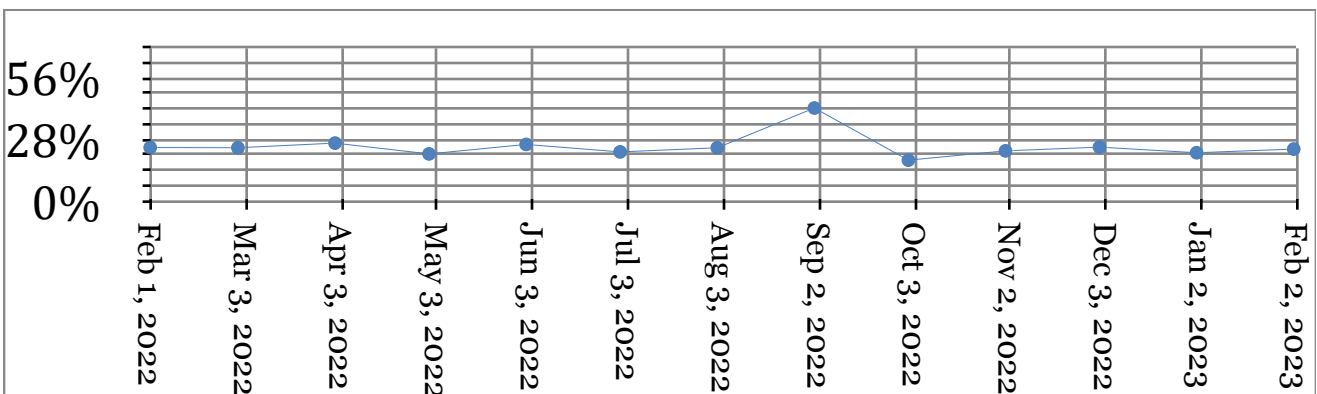
The Money supply continues its downward swing, but we expect it to increase next month due to the FED acquiring failed bank assets. Fuel prices have not



spiked but we expect some upward movement over the summer. The consumer price index should respond to fuel price volatility.

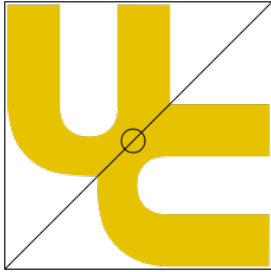


The yield curve chart gradually dropped to -1 until 13 March when the failure of Silicon Vally Bank caused a drop in interest rates. Rates dropped because the market believes the FED finally broke something in the economy.

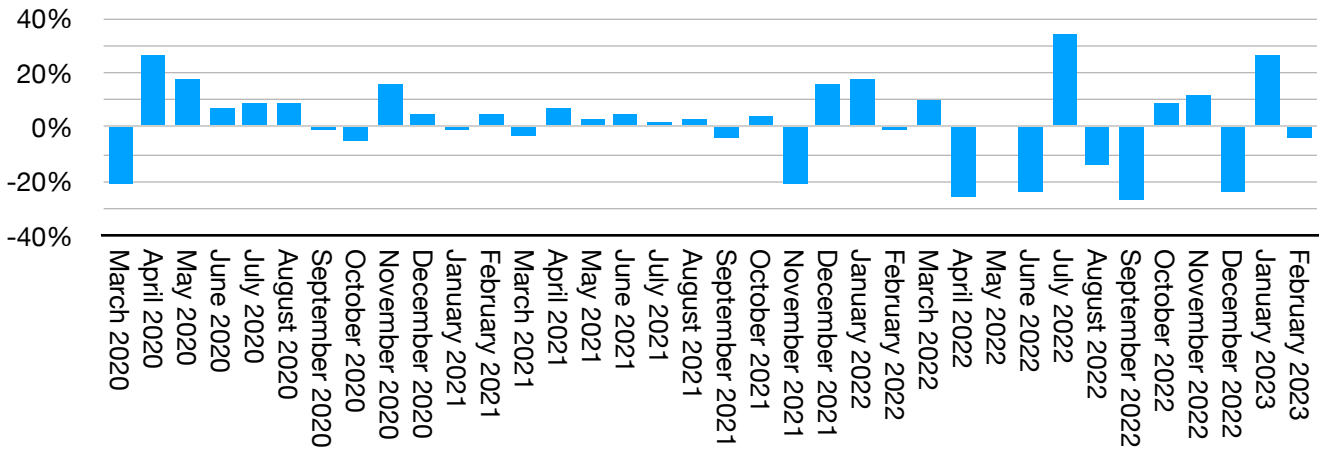


Government spending remains out of control.

Historic Returns



In February we experienced a 4% loss. Prices peaked mid month but dropped off toward the end of the month. If the anemic recovery has begun, we expect months with good gains and months with small losses. Consider making an investment so you can take advantage of this market.



Imparts

Underground Capitalist is very interested in your questions on our process, suggestions for Upcoming Thoughts, Additional Statistics and Reoccurring Sections we should include. Please contact us at ...

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