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EYE ON MONEY

JAN FEB 2023

10 Financial Things to Review Annually

Start the new year off right with a quick review of your finances!

plus HOW THE TAX CREDITS FOR GOING GREEN ARE CHANGING

TAX RELIEF FOR DISASTER AREAS

A TO-DO LIST FOR NEW PARENTS

HEALTH SAVINGS ACCOUNTS: 10 THINGS TO KNOW

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FINANCIAL

A To-Do List for New Parents

Add your child to your health insurance plan.

Name a guardian and an alternate guardian for your child in your will.

Consider purchasing life insurance or increasing your coverage now that another person depends on you financially.

Apply for a Social Security number for your child if you did not already take care of this at the hospital when your child was born. You'll need the number to claim your child as a dependent on your tax return.

Keep track of your child care expenses. If you pay someone to care for your child while you work or look for work, you may be able to claim a federal tax credit for some of the child care expenses you pay.

Familiarize yourself with the "nanny tax" rules if you hire someone to care for your child in your home.

Consider starting a college fund now to maximize the time that your savings have to compound. ■

Please consult your financial professional for advice.

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A FEW THINGS TO KNOW ABOUT

Health Savings Accounts (HSAs)

HSAs are savings accounts with tax advantages that make it possible for you to pay your current medical expenses with tax-free money and to save on a tax-free basis for future medical expenses.

HSAs offer three federal tax advantages. First, the money you contribute to an HSA is either pre-tax or tax-deductible. Second, any interest or earnings on the assets in the account are tax-free. And third, withdrawals are tax-free if they are used to pay qualified medical expenses. (State tax may apply in a few states.)

You must have a high-deductible health plan to contribute to an HSA. This type of plan typically has a higher deductible and a lower monthly premium than a traditional health insurance plan.

Your HSA funds can be used tax-free for many medical expenses. Qualified expenses include a wide range of medical services, supplies, and equipment, as well as drugs and dental and vision care.

You can pay your family's medical expenses from your HSA. The money in your HSA can be used tax-free to pay the qualified medical expenses of your spouse and your dependents—even if they are not covered by your health plan.

Your savings roll over every year. HSAs are not a use-it-or-lose-it type of account. Instead, your money remains in the account until you use it—whether it's this year, next year, or decades from now.

You can save for your future medical expenses in an HSA. Because the money rolls over from year to year, you can use your HSA to save for your future medical expenses, such as those in retirement.

Your HSA savings can be used for non-medical expenses. You can withdraw money from your HSA for any purpose. However, withdrawals in excess of your qualified medical expenses will be subject to income tax and, if you are under age 65, generally a 20% tax penalty.

Your HSA is yours to keep. This means that you can take the account with you when you change employers or retire. And if you change to a health plan without a high deductible or if you enroll in Medicare, you can still use the money in the account tax-free for your qualified medical expenses, although you can no longer add new money to it.

You have until the due date for your tax return to contribute for the prior year. For example, you have until April 18, 2023 to contribute to an HSA for 2022. ■

PLEASE CONSULT YOUR FINANCIAL PROFESSIONAL FOR ADVICE.

This article reflects the federal tax laws in place on November 1, 2022.

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MUTUAL FUNDS

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Test Your Mutual Fund Knowledge

Here's an opportunity to see how much you know about mutual funds and how they work.

TRUE OR FALSE: A mutual fund pools money from many investors.
True. The money is used by the fund to invest in stocks, bonds, and other assets. The income from these investments is distributed to the investors.

TRUE OR FALSE: Mutual funds offer diversification.
True. A mutual fund may invest in hundreds or even thousands of different stocks, bonds, and other assets, making it possible for investors to build a diversified portfolio with just a few well-chosen mutual funds.

TRUE OR FALSE: Mutual funds are priced once per day.
True. A mutual fund's share price is calculated at the end of the trading day after the markets close.

TRUE OR FALSE: A balanced fund invests only in stocks.
False. Stock funds invest in stocks, bond funds invest in bonds, and balanced funds invest in both stocks and bonds.

TRUE OR FALSE: An index fund tracks the performance of a specific index.
True. The goal of an index mutual fund is to closely replicate the performance of a specific index, such as the S&P 500, by investing in every security in the index, or a sampling of them. In contrast, an actively managed mutual fund has a manager or team of managers who select the individual stocks and bonds in the fund, typically with the goal of outperforming a specific index.

TRUE OR FALSE: A target-date fund's asset mix never changes.
False. Target-date funds are generally designed to automatically shift to a more conservative, less risky mix of investments (less stocks, more bonds) as the fund's target date approaches. ■

Please consult your financial professional for investment advice.

Please note: Investing involves risk, including the possible loss of the money you invest. Before investing in a mutual fund, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial professional for a prospectus containing this information. Please read it carefully before investing. Asset allocation and diversification do not ensure a profit or protect against loss in declining markets.

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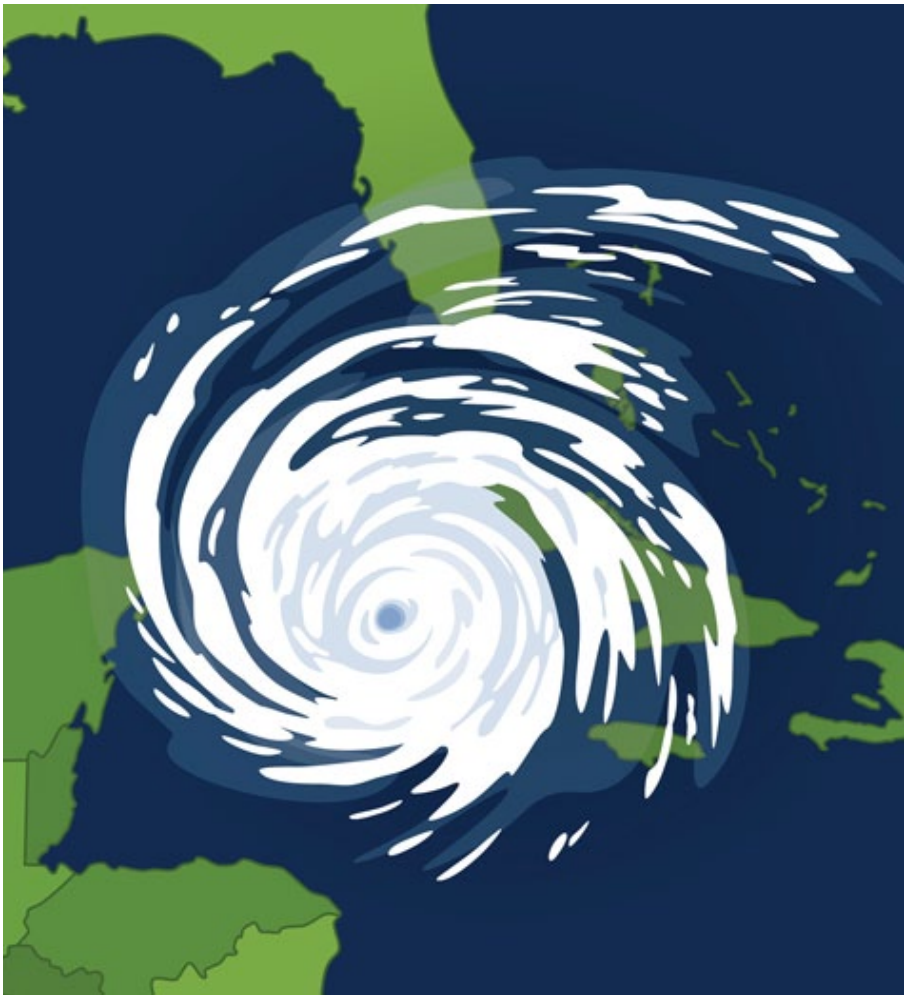
Tax Relief for People in Disaster Areas

If you live in an area that experiences a federally declared disaster, you may be eligible for these three types of tax relief.



1 An extension of time to file or pay taxes.

The IRS may provide you with extra time to file your tax returns or pay your taxes if you live in a disaster area. To find out how much extra time you may have, please consult your tax professional or visit IRS.gov/DisasterTaxRelief for the tax deadlines related to your specific disaster.

2 A tax deduction for unreimbursed casualty losses.

If you have a casualty loss from a federally declared disaster that is not fully reimbursed by insurance or other means, you can generally deduct the unreimbursed portion of it on your federal tax return. The deduction can be claimed on the tax return for the year the disaster occurs or the prior year. Deducting it on the prior year's return may result in a speedier tax refund. Also, calculating the amount of your deduction can be tricky so please consult your tax professional for advice.

3 Free copies of prior years' returns from the IRS.

If your tax records are destroyed, you can request copies of your previously filed tax returns from the IRS using Form 4506. The normal fee for copies will be waived if you live in a disaster area and put the name assigned to the disaster, such as "FL Hurricane Ian", at the top of the form. ■

Casualty Losses

A casualty loss is a loss resulting from a fire, flood, hurricane, tornado, or other sudden, unexpected event that damages or destroys your property. To deduct a personal casualty loss, such as damage to your home, household items, and vehicles, the loss must have been caused by a federally declared disaster. Only the unreimbursed portion of your loss is deductible.

Please consult your tax professional for advice regarding disaster-related losses.

This article reflects the federal tax laws in place on November 1, 2022.

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10 Financial Things to Review Annually

A lot can change in a year. Your financial goals may change. Your investment mix may shift. Your insurance needs may be different. Because things change, it's important to look over your finances every year or so to determine whether there are any adjustments you may want to make to help keep your finances on track and you and your loved ones protected. Here are ten things to review annually. For specific advice, please consult your financial professional.

YOUR GOALS

Any new or revised goals? The start of a new year is a natural time to set new financial goals and to tweak existing goals.

Begin by reviewing your existing goals: Have they changed in the past year? For example, has your target retirement date changed? Whenever a goal changes or you add a new one, it's a good idea to review your financial plan with your financial professional to determine whether your savings and investment strategies need to be adjusted.

Are there any new financial goals that you want to set? If there are, you may find it helpful to clearly define each goal and then create a plan for pursuing it. The first step is generally to figure out how much money you may need and when you will need it. After you determine a dollar amount and a time frame, the next step is to estimate how much money you may need to save each month to have a good chance of reaching your goal in the time you've allotted. (A savings goal calculator or your financial professional can help with this.) Then it's time to create and implement a plan for how you will move toward your goal. With a plan in place, time on your side, and dedication on your part, you are all set to tackle your goals!

RETIREMENT ACCOUNTS

Are you making the most of your retirement accounts? Contributing to an IRA and workplace retirement plan are two of the best ways to help build wealth for retirement. Are you making the most of these accounts?

If you are not contributing the maximum amount, consider whether you want to increase the amount you contribute.

Perhaps you recently received a pay raise or bonus, making it possible for you to increase the amount you save each year while still covering your everyday living expenses. Or perhaps you paid off your mortgage or made your last tuition payment and can afford to contribute more this year. Whatever the reason, increasing the amount you save now has the potential to improve your financial security in retirement.

If you are already contributing the maximum annual amount, keep in mind that contribution limits generally increase every few years, providing you with an opportunity to boost the amount you save for retirement.

Reaching age 50 also provides an opportunity to save more. Retirement plans and IRAs generally allow you to begin contributing an extra amount—known as a catch-up-contribution—beginning the year you reach age 50.

You can contribute to a traditional or Roth IRA right up to the due date for your federal tax return for the year. This means that you have until April 18, 2023 to contribute to an IRA for 2022, assuming you are eligible to contribute. With a workplace retirement plan, you may be able to change your contributions at any time during the year or you may be limited to a certain time. You can check the plan rules or contact your plan administrator to find out.

SAVINGS ACCOUNTS

Are you making the most of your savings account? As the Federal Reserve increased interest rates in 2022, some banks followed suit and increased the interest rates they pay on savings accounts, money market accounts, and certificates of deposit. If you haven't compared rates recently, now is a good time to do so. Interest rates can vary dramatically among banks, and you may earn considerably more interest at a bank that offers high-yield accounts.

Also, keep an eye on the amount you hold at any one bank. Remember, deposits are generally insured by the Federal Deposit Insurance Corp (FDIC), but only up to $250,000 per depositor, per insured bank, for each account ownership category. Exceed the limit, and you risk losing money if the bank ever fails.

You may be able to contribute more money to your retirement accounts in 2023.

401(k), 403(b), and most 457 Plans	*2022 Limit*	*2023 Limit*
Regular contributions	$20,500	**$22,500**
Catch-up contributions	$6,500	**$7,500**
SIMPLE IRAs and SIMPLE 401(k) Plans		
Regular contributions	$14,000	**$15,500**
Catch-up contributions	$3,000	**$3,500**
Traditional and Roth IRAs		
Regular contributions	$6,000	**$6,500**
Catch-up contributions	$1,000	**$1,000**

Additional limits may apply to the maximum amount you may contribute.

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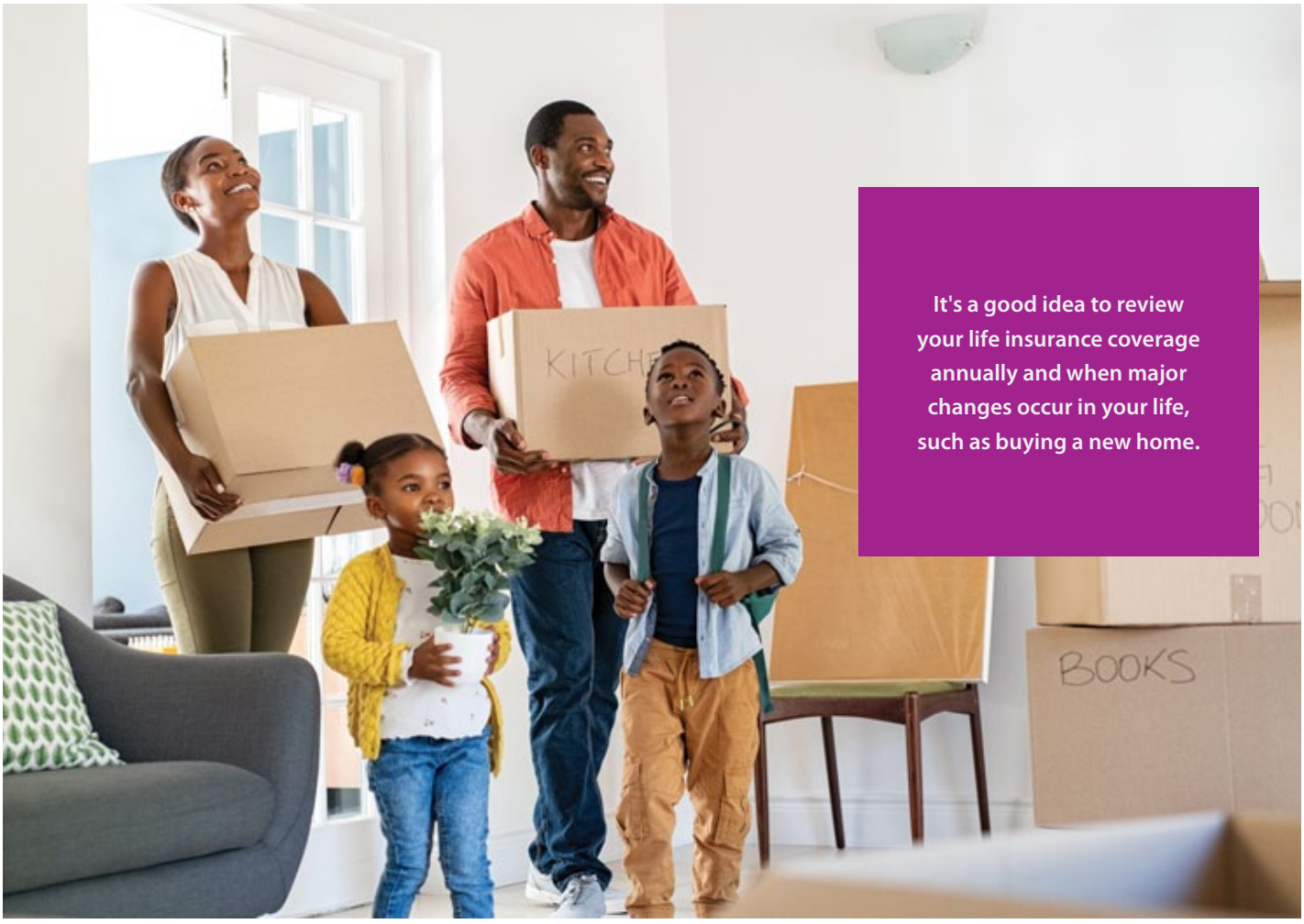

It's a good idea to review your life insurance coverage annually and when major changes occur in your life, such as buying a new home.

ASSET ALLOCATION

Is it time to adjust your asset mix?
How you divide your portfolio among asset classes—stocks, bonds, and cash—can have a big impact on your portfolio's overall risk and growth potential. Reviewing your asset mix from time to time can help ensure that your portfolio is allocated appropriately for your goals, time frame, and risk tolerance.

Take a look at your asset mix: Has it changed? Differences in performance among stocks, bonds, and cash investments can cause your portfolio to stray from the target asset mix you chose. For example, if the stock market has declined recently, a portfolio that started out as 60% stocks and 40% bonds may now be 50% stocks and 50% bonds. When your portfolio's allocation strays from your target asset mix, your portfolio either has more risk or less potential for growth than you planned. In this example, it has less potential for growth because stocks now make up less of the portfolio.

If your portfolio has strayed from your target asset mix, rebalancing your portfolio—that is returning it to your target mix—can help keep your investment plan on track.

But before you rebalance, consider whether your target mix is still appropriate for you. If you've become more risk averse or if you are significantly closer to the time when you'll need your money, you may want to reduce risk in your portfolio by shifting to a more conservative asset mix. This typically means reducing the proportion of stocks in your portfolio.

Asset allocation does not ensure a profit or protect against loss in declining markets.

INSURANCE

Is your insurance coverage keeping pace with the changes in your life?
To make certain that your life insurance coverage and disability insurance coverage are still appropriate for your needs, it's a good idea to review them periodically and when major changes occur in your life.

For example, getting married or the arrival of a child may mean that more people are counting on your paycheck than before. It may be time to increase your life insurance coverage to better protect their financial security in the event of your death.

If you've recently taken out a mortgage on a new home for your family, you may also want to increase your life insurance coverage so that the policy's proceeds are sufficient to cover the mortgage payments.

If your salary increases, it's a good idea to review your life insurance coverage. A bump up in pay often results in a bump up in lifestyle, so unless you adjust your life insurance coverage, your family may one day find themselves struggling to cover their living expenses with the proceeds from a policy designed for leaner times.

It's also a good idea to review your long-term disability insurance coverage when your salary increases. This type of insurance is designed to replace part of your salary for a period of time when you are too sick or injured to work. The benefit payments you receive can help you cover your living expenses while you are unable to work. But as your salary increases, you may find that the benefit payments are not large enough for your needs. Supplementing your existing policy so that more of your income is replaced may be an option.

CREDIT REPORTS

Have you reviewed your credit reports recently? It's important to review them for accuracy at least once a year. Lenders and creditors use the information in these reports to decide whether to extend you credit and the interest rate you'll pay on that credit. Other companies, such as insurers, utilities, and landlords, may also use them when making decisions.

There are three major credit bureaus—Equifax, Experian, and TransUnion—that produce credit reports. Their reports can differ so it's a good idea to review all three reports. Under federal law, you are entitled to a free credit report annually from each of the credit bureaus. You can download them at www.AnnualCreditReport.com.

During your review, look for errors in your accounts and payment histories. Also keep an eye out for signs of fraud, such as accounts that you didn't open.

3 ways to request free credit reports from AnnualCreditReport.com.

1. **ONLINE:** Download the reports from the website.
2. **PHONE:** Call 1-877-322-8228 to have your credit reports mailed to you.
3. **MAIL:** Complete the request form, which you can download from the website. Mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Your credit reports will be mailed to you.

What to look for on your credit reports.

Your credit reports contain your personal identification information, such as your name, address, and Social Security number, as well as information about your loans and credit accounts, such as your payment history. Review the entire report for accuracy.

If you spot any mistakes or incomplete information, contact the business who issued the loan or account and/or the credit bureau that issued the report.

Equifax, Experian, and TransUnion each provide information on their websites about how to file a dispute regarding inaccurate information.

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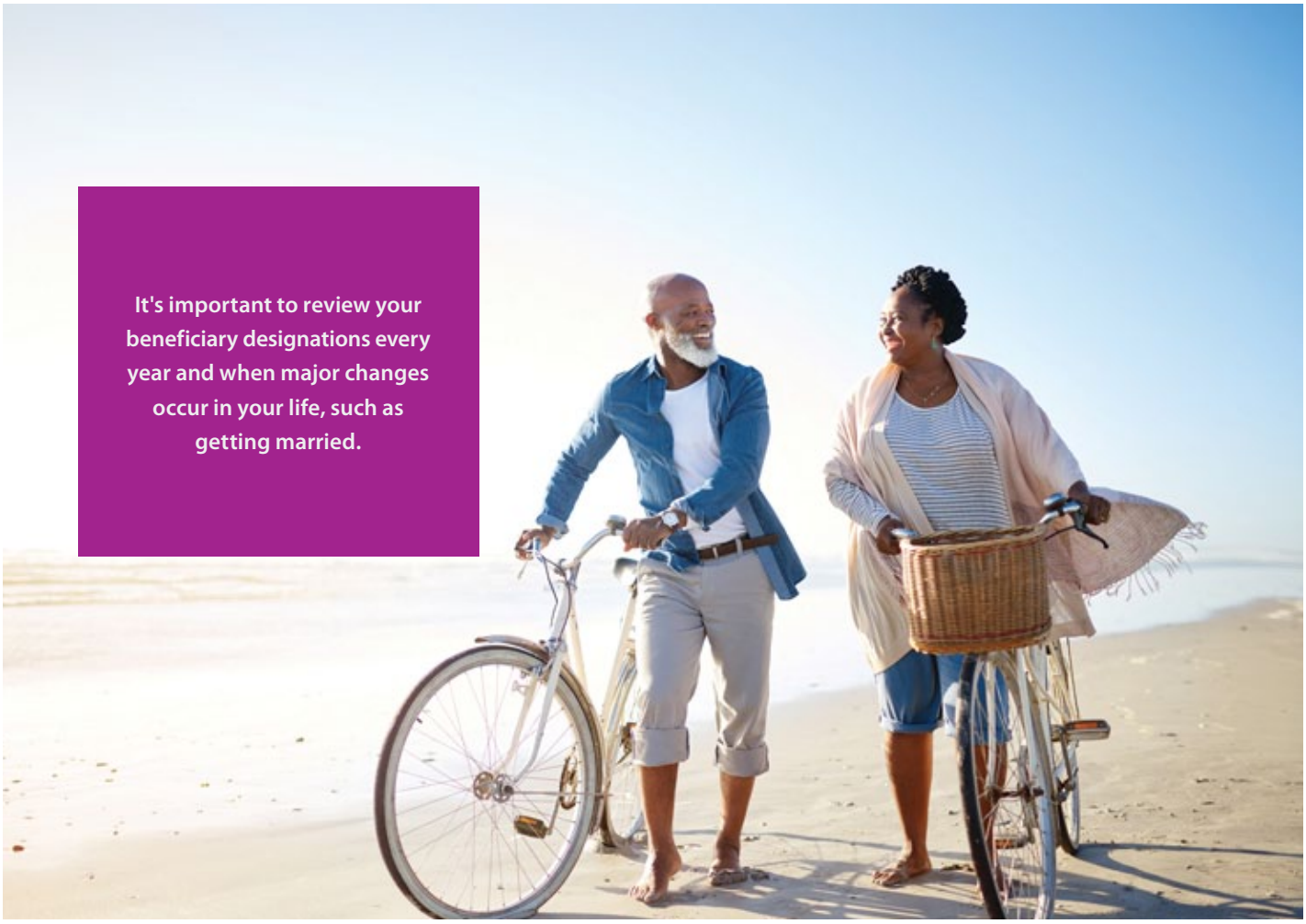

ESTATE PLANNING DOCUMENTS

Is everything up to date?

It's a good idea to review your estate planning documents with your estate planning professional every few years and when major changes occur in your life. In the intervening years, consider reading over the documents yourself to determine whether changes are needed.

Your estate planning documents may include a will, trusts, powers of attorney for finances and health care, and a living will. As you read, ask yourself if the people you chose to act as an executor, trustee, guardian, attorney-in-fact, and health care proxy are still willing and able to serve. If they are not, your documents will need to be updated.

Next, ask yourself whether there have been any changes in your family, such as a marriage, birth, or death, or a major change in your assets. Or perhaps one of your heirs has become disabled. Each of these changes may signal the need for a formal review of your estate plan.

Even if there hasn't been a change in your family or assets, reading over your estate planning documents gives you an opportunity to determine whether you've simply changed your mind about any of the provisions in them.

If you spot anything that you'd like changed or that you have questions about, please contact your estate planning professional.

BENEFICIARY DESIGNATIONS

Would you like to change anything?

It's important to review the beneficiary designations on your financial accounts at least once a year. The person, trust, or charity that you name as a beneficiary on an account will generally inherit the assets in that account regardless of any instructions to the contrary in your will. An annual review helps ensure that your beneficiary designations still reflect your thoughts on who should inherit the accounts.

Be sure to check the beneficiary designations on your retirement accounts, investment accounts, bank accounts, and health savings accounts. In some cases, a beneficiary designation may be referred to as a transfer-on-death, payable-on-death, or in-trust-for designation.

In addition to your financial accounts, you may have named beneficiaries on your life insurance policies and annuities so you'll want to check those also. And if you live in a state that allows you to name a beneficiary on your vehicle registration or real estate deed, review them too.

Please consult your estate planning professional for advice about naming beneficiaries.

EMERGENCY FUND

Does your emergency fund need topping up? It may if you dipped into it last year or if your living expenses have increased significantly.

An emergency fund is money that you set aside specifically to help cover expenses if you lose a job or face large, unexpected expenses, such as medical bills. One rule of thumb is to have enough cash to cover three to six months of living expenses. However, you may want to set aside more cash in some circumstances, such as if you work in a field where it may take longer than six months to find a new job.

SPENDING

Do you know where your money is going? Knowing how much you spend each year and what you spend it on can help you develop a realistic budget for the year ahead. It may also help you identify areas where you can trim your spending in order to direct more money to pursuing the goals that are important to you.

It may be easier than you expect to track your spending. Several banks and credit card issuers offer spending reports that break a customer's spending over the past year into categories, such as groceries, restaurants, clothing, and automotive. And there are expense tracker apps available that can collect information from your various accounts and provide you with a big-picture view of your spending and finances. ■

How to create a budget.

1. **Add up your monthly income.**
2. **Track your spending for a few months** to give you a starting point for your budget. Are you spending too much in certain areas and not enough in others?
3. **Design your budget.** Break your expenses into categories that make sense to you. For example, you might include a line in your budget for each of your essential expenses, such as housing, groceries, transportation, debt repayment, insurance, and savings, as well as for your nonessential expenses, such as travel and entertainment. Then take your income and allocate it among the categories to create a plan for how you will spend your income each month.

Please consult your financial professional for advice.

Reviewing your finances every year or so is a great way to help keep them on track. For specific advice regarding your finances and pursuing your financial goals, please consult your financial professional.

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How the Green Tax Credits Have Changed

With the passage of the Inflation Reduction Act of 2022, Washington extended and revised three federal tax credits that may help you defray part of the cost to make your home more energy efficient or to purchase an electric vehicle. This article touches on some of the changes made by the Act.

To qualify for a credit, the equipment or vehicle must meet specific energy-related requirements, as well as a few other requirements. This article touches on some, but not all, of them. So if you are counting on claiming a credit, it's a good idea to explore the requirements more fully before making a purchase decision.

This article reflects the federal tax laws and guidance in place on November 1, 2022. Additional guidance is expected from the Treasury Department.

Residential Clean Energy Credit

This credit is for adding alternative energy systems, such as solar, geothermal, wind, or fuel cell systems, to your home.

MAJOR CHANGES

- The credit is extended through 2034.
- The credit is increased to 30%.

The credit for installing alternative energy systems in your home has a new name—the Residential Clean Energy Credit—and has been extended through 2034.

The Act has also increased the credit amount to 30% (formerly 26%) for qualified equipment that is placed in service in 2022 through 2032. The credit will decrease to 26% for 2033 and 22% for 2034, before expiring at the end of 2034.

With this credit, people who install qualified solar electric equipment, solar water heaters, geothermal heat pumps, wind turbines, and fuel cell property before the end of 2032 can generally claim a tax credit for 30% of what they spend on the qualifying equipment and the labor to install it. There is no dollar limit on the credit with the exception of fuel cell property, which is limited to $500 for each half kilowatt of capacity.

And beginning in 2023, battery storage technology becomes eligible for the credit, provided it meets certain criteria.

Biomass fuel property placed in service after 2022 will no longer qualify for the credit. However, it may qualify for the Energy Efficient Home Improvement Credit, which is described next.

Energy Efficient Home Improvement Credit

This credit is for adding energy-efficient heating and cooling equipment, windows, doors, and insulation to your existing home.

MAJOR CHANGES

- The credit is extended through 2032.
- The credit is increased to 30%.
- The credit limit is increased to generally $600 per item, up to a maximum of $1,200 per year.
- The lifetime limit is eliminated.

The Act revives the Nonbusiness Energy Property Credit, which expired at the end of 2021, and makes several changes to it, including its name. The credit is now called the Energy Efficient Home Improvement Credit, which should give you a clearer idea of this credit's purpose: to incentivize you to install energy-efficient equipment and building materials when making improvements to your existing home.

For 2022, the Act simply extends the earlier credit. But in 2023, several major changes kick in.

Beginning in 2023, taxpayers can generally claim a credit for 30% of the cost of qualified heat pumps, central air conditioners, water heaters, boilers, furnaces, insulation, and qualified exterior windows, skylights, and doors that they add to their homes.

There are limits on the maximum amount you can claim each year. The annual limits are generally $600 per item and $1,200 total.

The previous $500 lifetime limit will not apply after 2022, which means that even if you used up the whole credit in prior years, you can claim the credit again for new qualified improvements that you make to your home in the future. And if you stagger your home improvement projects over a few years, it is possible to claim up to a $1,200 credit in each of those years.

A higher annual limit—$2,000—applies to qualified heat pumps and heat pump water heaters, as well as biomass stoves and boilers. The $600 per-item limit does not apply to them.

The $600 limit also does not apply to exterior doors. The annual limit is $250 per exterior door and $500 for all exterior doors you install. And the credit for windows and skylights is limited to a combined total of $600 per year.

The list of items that qualify for this credit also includes upgrades to your electrical panel needed for the addition of energy-efficient equipment. Plus, home energy audits now qualify for the credit, up to a maximum of $150.

And there's good news for people with second homes. For certain items, the Act lifts the restriction that it must be installed in your principal residence to be eligible for the credit. Beginning in 2023, the credit can be claimed for certain qualified equipment, such as a heat pump, water heater, furnace, or central air conditioner, that is installed in any existing home in the United States that you use as a residence.

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Starting in 2023, you cannot claim the Clean Vehicle Credit if your income or the vehicle's price exceeds the following limits.

Income limit

For new vehicles:

$150,000 if single

$225,000 if head of household

$300,000 if married filing jointly

For pre-owned vehicles:

$75,000 if single

$112,500 if head of household

$150,000 if married filing jointly

Price limit

For new vehicles:

$80,000 MSRP for vans, SUVs, and pickup trucks

$55,000 MSRP for other vehicles

For pre-owned vehicles:

$25,000 for all vehicle types

Clean Vehicle Credit

This credit may help cover part of the cost to purchase a qualified clean vehicle, such as an electric or fuel cell vehicle.

MAJOR CHANGES

- The credit is extended through 2032.
- The vehicle's final assembly must occur in North America.
- The 200,000-per-manufacturer cap is eliminated after 2022.
- Income limits are added after 2022.
- Price limits are added after 2022.
- Previously owned vehicles are eligible for a credit of up to $4,000.

NEW VEHICLES

The Inflation Reduction Act of 2022 made several changes to the federal tax credit for purchasing a new electric vehicle, including extending the credit through 2032 and changing its name to the Clean Vehicle Credit.

Among the changes is a new requirement that vehicles purchased after August 16, 2022 must be assembled in North America to qualify for the credit.

As a result of this one change, many of the electric vehicles that qualified for the credit under the old law no longer qualify if purchased after August 16, 2022, the date the Act was enacted. However, an exception is made for those people who entered into a written binding agreement to purchase a qualifying vehicle before that date and who had to wait until after it for their vehicle to be delivered.

The Act also places an income limit on who is eligible for the credit. For vehicles placed in service on or after January 1, 2023, the credit is only available to individuals whose modified adjusted gross income (MAGI) does not exceed $300,000 if they are married and file joint tax returns, $225,000 if they file as head of household, or $150,000 if they file as single or married filing separately. And the limit applies to both the current year and the preceding year.

Also for vehicles placed in service on or after January 1, 2023, no credit is allowed if the manufacturer's suggested retail price (MSRP) exceeds $80,000 for a van, SUV, or pickup truck or $55,000 for other types of vehicles.

Prior to the Act, there were no limits on a buyer's income or a vehicle's price to claim the credit. There was, however, a 200,000-per-manufacture cap on the credit, which the Act has eliminated for vehicles sold on or after January 1, 2023. While the cap was in place, the credit

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began to phase out after a manufacturer sold more than 200,000 qualifying vehicles for use in the United States. Both Tesla and General Motors exceeded the cap so their vehicles have not qualified for the credit in recent years, including vehicles purchased in 2022.

New requirements regarding the vehicle's critical minerals and battery components will also apply after the Secretary of the Treasury provides guidance on the requirements.

The Act requires that a certain percentage of the critical minerals used in the vehicle's battery must be extracted or processed in the United States or a country that we have a free trade agreement with or be minerals that were recycled in North America. The Act also requires that a certain percentage of the value of the battery components be manufactured or assembled in North America.

As a result of the changes, it is likely that fewer new clean vehicles will qualify for the credit than in the past, although that may change over time if more manufacturers decide to shift final assembly to North America and to source critical minerals and battery components from the locations specified by the Act.

The Act also changes how the credit amount is calculated. Instead of basing the credit on the capacity of the vehicle's battery, the revamped credit breaks it into two parts: $3,750 for a vehicle that meets the new critical mineral requirements and $3,750 for a vehicle that meets the battery component requirements. The credit for a vehicle that meets both requirements is $7,500.

PRE-OWNED VEHICLES

Beginning in 2023, the Act makes the credit available to qualified buyers who purchase a pre-owned clean vehicle. Previously, the credit was only available for purchasing a new electric vehicle.

The credit for a pre-owned vehicle is equal to the lesser of 30% of the sale price or $4,000.

To be eligible for the credit, your MAGI for the current year and the preceding year cannot exceed $150,000 if you are married and file joint tax returns, $112,500 if you file as head of household, or $75,000 if you file as single or married filing separately.

Also, the vehicle must be purchased from a dealer and cost no more than $25,000. Plus, the model year must be at least 2 years earlier than the calendar year you acquire the vehicle, and this must be the first transfer from the original owner since the date of enactment.

CREDIT APPLIED TO THE SALE PRICE

After 2023, qualified buyers of clean vehicles will generally have the option to transfer the credit to the dealer, who can deduct the credit amount from the vehicle's sale price, thus eliminating the need for the buyer to wait and claim it on their tax return. ■

Please consult your tax professional.

The new features and requirements for the green tax credits have changed significantly. For advice on how they may apply in your situation, please consult your tax professional.

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MORE THAN MOZART | Salzburg, Austria

BY BRIAN JOHNSTON

Baroque architecture, grand gardens, alpine views, contemporary art, hip eateries—there's more to Salzburg than Mozart.

TAKE A SEAT AT AN OUTDOOR CAFÉ in Salzburg's Mozartplatz. Order a coffee and the city specialty, a Mozart-Kugeln of bittersweet chocolate, marzipan, and hazelnut nougat. Then sit back and enjoy a Mozart medley from a street-busking violinist fiddling beneath a statue of Mozart himself.

You get the picture: Salzburg is mad for Mozart. Never mind that the city rejected the composer, who lived most of his adult life in Vienna. Today you'll find Mozart celebrated everywhere, not least at the apartment on Gereidegasse where he was born in 1756, and another on Marktplatz to which the family later moved. The composer wouldn't recognize the apartments' contents today though, apart from memorabilia such as the violin Mozart mastered—without benefit of an instructor—at the age of five.

Any but the most dedicated classical-music fan is better off sitting in a square and listening to a busker tootle the familiar bars of *Eine Kleine Nachtmusik*—after all, Mozart was a pop entertainer in his day. His foot-tapping, chirpy music shouldn't be confined to stuffy museums but let loose to flow down Salzburg's old-town streets whose baroque architecture is as frothy and delightful as Mozart's music.

During Salzburg's great baroque-era flowering, the town centered on the Alter Markt, or Old Marketplace. Mozart himself would probably recognize the old town's winding streets and sudden cobbled squares lined with comfortable merchants' townhouses—though perhaps not the cleanliness or flowerboxes of petunias, a South American plant that only appeared in Europe a century later.

Amble the alleyways, then clamber towards the mostly medieval Hohensalzburg fortress on its Alp-ogling crag. You might want to skip the interior, which houses a predictable collection of armor and gloomy medieval art. The rampart views however are terrific and, if you time yourself for 11 a.m. or 6 p.m., you'll be rewarded with a thundering melody from a 1502 barrel organ called the Salzburg Bull.

The fortress's bulk gives a fair indication of Salzburg's former importance. Founded in Roman times and growing rich on the salt mines, Salzburg became a powerful independent bishopric only absorbed into Austria in 1816. In the Renaissance era, the state's nouveau-riche prince-bishops relocated from the old-fashioned fortress to the Residenz palace below, where later Mozart the child prodigy tinkled on the spinet for a bewigged audience.

LEFT: **A view from the Salzach River of Salzburg's Old Town with the 11th-century Hohensalzburg Fortress perched on the crag above it.**
BELOW: **The Mirabell Palace and Gardens. The gardens were laid out in 1687 and include fountains, a rose garden, and an orangery.**

Much of the Salzburg you see today was created under the great Austrian architect Fischer von Erlach (1656-1723), who supplied the town with its baroque architectural harmony. He reached the height of his art in Trinity Church and College Church and performed a renovation rescue on the cathedral, where Mozart was an organist for a couple of years.

The baroque can seem overblown to modern tastes. To best appreciate the witty energy of the era, head out to Hellbrunn Palace to admire not its pink-and-gold interior but its famous gardens. The gardens and their ornate grottoes are a rare surviving example of a baroque waterpark full of trick fountains that may give you an unexpected squirt, demonstrating that even prince-bishops appreciated slapstick comedy.

Mirabell Garden, with its reflecting pools, statuary, and riotous flowerbeds, also provides baroque splendor released from the stuffiness of an adjacent palace crammed with marble, gilt, and fat cherubs that fly across ceilings. The gardens are as colorful and over-the-top as the interior design but much more delightful. Local office workers come here to sun themselves and eat sandwiches on benches watched over by statues of goddesses and plump dwarves.

If Mirabell Garden looks familiar, you no doubt remember it from *The Sound of Music*. Julie Andrews and the von Trapp kids sang 'Do-Re-Mi' as they danced around the fountain and up the steps. Fans of the movie will find quite a few of their favorite things in Salzburg, including Nonnberg Convent where Maria was a novice and the 1736 Schloss Leopoldskron that supplied the celluloid lakeside façade of the von Trapp family home.

Don't worry: if you think Mozart souvenirs are saccharine and singing nuns only make Salzburg even more kitsch, then that's only because you haven't strayed from the tramped tourist trail. When you're ready for a change from baroque madness and Mozart's music, you'll find Salzburg has more than just an old town.

You'll certainly get a whole different view of this seemingly sedate city if you follow the Walk of Modern Art, which directs you towards outsized contemporary public art by acclaimed Austrian and international artists. A row of human-sized pickled gherkins, a huge reflective golden sphere, and a white cube might all be head-scratching, but they provide a wonderful counterpart to Salzburg's weight of sugary history.

Just above town, meanwhile, Museum der Moderne Salzburg sits resolutely

inside a minimalist white oblong building with no hint of a cherub in sight. Even if you aren't into contemporary painting, graphics, or large-scale art installations, it's worth a visit for terrace views over town—or lunch at its excellent restaurant. One of the best things about Austria is that museums are seldom far from fine dining.

Speaking of museums, Haus der Natur is an outstanding museum of natural history and science just up the street, and provides a refreshing change from art, especially if you have kids. It includes an aquarium and reptile zoo with iguanas, alligators, poisonous snakes, and bearded dragons, and an eclectic range of fine displays such as prehistoric animals, live tarantulas, a piece of moon rock, and interactive displays on the human body.

Head west away from the museum and you'll find Maxglan district, whose upmarket pleasures allow you to wander from fashion boutiques to coffeehouses oozing impeccable Austrian style. You'll also find Hangar-7, a masterpiece of avant-garde design that houses contemporary art, historic aircraft, and regular exhibitions that defy categorization. Locals far outnumber tourists in Maxglan: this is the neighborhood to take a partner for a romantic dinner away from the tourist traps, which will impress them with your Salzburg insider knowledge.

The eastern side of Salzburg's river is also worth exploration, even though few visitors move beyond Mirabell Palace or the nearby congress hall. Andräviertel neighborhood is a trendy, bohemian part of town with a youthful college vibe, and couldn't be more different from the buttoned-up, tourist-heavy old town.

This is where you get the feel of the "real" Salzburg of bistros and bars, independent stores, coffee roasters, and hip eateries unexpectedly discovered in cobbled courtyards. The Thursday morning market held outside St Andrew's Church is one of Austria's best. If you feel like fresh air and a great view, walk up Kapuzinerberg for a classic Salzburg panorama.

Adjacent Schallmoos district also rewards the wanderer. It's more downmarket and scruffy—the main rail station is nearby—but this is one of the hippest districts in the city. Don't let the graffiti put you off. Join locals in popular restaurants, micro-breweries, and bars. You won't hear a squeak of Mozart, and can absorb a whole different Salzburg vibe. ■

Let's celebrate!

CELEBRATING THE WINTER SEASON

Wintersköl
Aspen, CO | January 12–15, 2023

This annual celebration of winter features on-mountain activities, snow sculptures, a torchlight descent down Aspen Mountain, fireworks, and more.

International Snow Sculpture Championships
Breckenridge, CO | January 27–February 1, 2023

Downtown Breckenridge is transformed into an outdoor art gallery each January as teams of carvers from around the world turn massive 25-ton blocks of snow into monumental sculptures during the International Snow Sculpture Championships. The carving takes place from January 23 to January 27 and is followed by several days of viewing.

Steamboat Winter Carnival
Steamboat Springs, CO | February 8–12, 2023

Steamboat Springs celebrates winter and its western heritage with a 5-day festival each February featuring ski jumping, a cross-country obstacle course, snow-boarding jam sessions, and kids on skis and adults on shovels being pulled by horses through town.

Montréal en Lumière
Montreal, Canada | February 16–26, 2023

One of the world's largest winter festivals takes place each February in the heart of Montreal where visitors can enjoy live music, theatrical performances, light installations, ice skating, and more. The festival culminates in an all-night event known as Nuit Blanche that begins on February 25.

CELEBRATING PICASSO

Dozens of museums in Europe and the United States will celebrate the work and artistic legacy of Pablo Picasso in 2023 to mark the 50th anniversary of his death. Here's a sampling of the exhibitions. (*The dates are subject to change.*)

Cubism and the Trompe l'Oeil Tradition
New York, NY | Metropolitan Museum of Art
October 20, 2022–January 22, 2023

Picasso Landscapes: Out of Bounds
Charlotte, NC | The Mint Museum | Feb. 11–May 21, 2023
Cincinnati, OH | Cincinnati Art Museum | June 24–Oct. 11, 2023

Célébration Picasso
Paris | Musée National Picasso | March 7–August 6, 2023

Picasso – El Greco
Madrid | Museo del Prado | June 13–September 17, 2023

Picasso, 2023 Drawings
Paris | Paris Centre Pompidou | Oct. 18, 2023–Jan. 22, 2024

CELEBRATING CARNIVAL

Masked balls in Venice, samba parades in Rio, beads tossed from parade floats in New Orleans. Carnival—the season of merrymaking before Lent—is celebrated in different ways throughout the world. Here's where to join the fun this year.

Venice Carnival | February 11–21, 2023

Rio de Janeiro Carnival | February 17–25, 2023

New Orleans Carnival & Mardi Gras | Jan. 6–Feb. 21, 2023

QUIZ

NAME THAT NATIONAL PARK

About 300 million people will visit our national parks this year to take in the breathtaking scenery and marvel at the natural wonders. See how many national parks and monuments you can identify from these photos.

1: (A) Yellowstone NP or (B) Dry Tortugas NP

2: (A) Cuyahoga Valley NP or (B) White Sands NP

3: (A) Saguaro NP or (B) Yosemite NP

5: (A) Grand Staircase–Escalante National Monument or (B) Voyageurs National Park

4: (A) Everglades NP or (B) Arches NP

6: (A) Glacier NP or (B) Grand Canyon NP

ANSWERS: 1-A, 2-B, 3-B, 4-A, 5-A, 6-A.

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