

RetireSmartIRA — Tax Data Methodology

How RetireSmartIRA sources and verifies the tax parameters it ships.

Current release: v1.8.5 (May 27, 2026)

Last methodology review: May 27, 2026

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At a glance

RetireSmartIRA is a retirement-planning tool, not tax-preparation software. Its job is to give households a directionally correct, year-by-year picture of how withdrawals, Roth conversions, and Social Security timing affect federal and state taxes through retirement — not to file a return.

The app's tax engine is built on:

- 1 Federal tax parameters** based on official IRS guidance for the current planning tax year (the annual Revenue Procedure containing inflation-adjusted parameters, plus signed legislation effective for the planning year).
- 2 State tax data** verified against official primary sources (state departments of revenue, official forms, enacted legislation, state statute pages), with internal audit notes retained for each materially changed state.
- 3 In-app disclosures** positioning output as estimates for planning purposes, explicitly excluding items outside scope (local taxes, MFS/HoH filing status, certain phaseouts), and directing users to a qualified professional before making financial decisions.

The framing the technical record supports is:

Updated with current-year federal tax parameters and current state tax rules verified against official sources.

See the **Current release** section for the specific sources and state inventory shipped in the latest release.

1. Federal tax engine

The federal tax engine is built from official IRS guidance for the current planning tax year:

- The annual **IRS Revenue Procedure** containing inflation-adjusted parameters (standard deduction, brackets, AMT, IRA/401(k) limits, etc.)
- **Signed legislation** effective for the planning year, including retirement-relevant provisions (e.g., the One Big Beautiful Bill Act per-individual senior bonus deduction)
- **26 USC** statutes for items that are not inflation-indexed (NIIT threshold, certain statutory floors)

Combining these into a working engine still involves interpretive modeling decisions wherever federal rules interact — for example, the ordering of Social Security taxability, NIIT applicability, AMT calculation, and Roth conversion impact on IRMAA tiers. Those modeling choices are documented in code and covered by

automated tests.

The federal engine is exercised by an automated test suite with more than 1,100 tests, including end-to-end stress scenarios that combine high income, multiple income sources, AMT triggers, and NIIT triggers, with expected values checked against independently reviewed calculations.

2. State tax engine

The state engine models 50 states + DC (51 jurisdictions). Each is encoded as a per-state configuration: tax system (flat, progressive, none, or special), bracket arrays per filing status, retirement-income exemption rules, standard deduction, capital gains treatment, and safe-harbor rules where applicable.

2.1 Sources of truth

Policy: every materially changed state bracket is sourced from the highest-tier primary source available:

- 1 State department of revenue (e.g., CA FTB, NY DTF, MN DOR)
- 2 Enacted legislation (signed acts, codified statute)
- 3 Official forms (withholding formulas, rate schedules)
- 4 State statute pages

Secondary aggregators (Tax Foundation, RetirementLiving, Kiplinger, Nolo) are used only as cross-checks, never as the basis for a change.

2.2 Verification process

Every state in which a release materially changes bracket data goes through up to five verification layers, with the minimum bar being three of five and primary-source verification always mandatory:

- 1 **Primary-source verification** (*mandatory*) — a state-government URL or enacted-statute citation captured in the audit notes.
- 2 **External calculator reasonableness check, where applicable** — bracket math compared against external reference calculators for sanity. Used as a cross-check, not as an authoritative source for the planning year's state law.
- 3 **Property-based regression tests** — automated tests asserting structural invariants the engine must satisfy (e.g., tax is non-decreasing in income, MFJ thresholds are at least equal to Single thresholds, an explicit zero-bracket produces zero tax at zero income).
- 4 **Independent review of the diff against the cited primary source** — a structured checklist applied independently to each change. Automated diff-checking tools may be used as an additional error-detection layer in this step. Any disagreement is resolved by direct verification against the primary source, never by reviewer majority.
- 5 **User-reported feedback** captured into the change log.

2.3 What we treat as material

For state tax purposes, the app applies current-year or best-available official tax parameters to the active planning scenario. State tax-year publication timing varies: some states publish final schedules later than federal parameters, and some are derived from prior-year schedules through statutory inflation adjustments.

Where a state has not yet published a final schedule for the planning year, the app uses the most current official state guidance available; where a state has not changed its rate structure since the prior verified release, that schedule is retained after re-checking the state's primary sources. Small inflation-indexing differences between editions of a state's published schedule are treated as non-material for planning purposes. **Structural changes, rate changes, new brackets, missing surtaxes, and changes in retirement-income treatment are treated as material and prioritized for correction.**

2.4 Audit trail

Each state change produces two artifacts retained as internal verification records in the project repository:

- A **review payload** — the diff sent to the independent-review step, with the cited primary-source URL and the bracket-engine semantics needed to interpret the code.
- A **review result** — the verbatim reviewer responses and the disagreement-resolution notes when applicable.

3. In-app disclosures

The app explicitly tells users what it is and isn't:

First-launch terms (clickwrap)

"RetireSmartIRA provides educational estimates only. Results are not tax, legal, or investment advice. Consult a qualified professional before making financial decisions."

Guide disclaimer (visible throughout the in-app Guide)

"This app provides estimates for planning purposes only. Local and city income taxes (e.g., NYC, Yonkers) are not included. Consult with a qualified tax professional or financial advisor for personalized advice. Tax laws and regulations may change."

Output framing

Every dollar value derived from the tax engine is presented with language consistent with estimation, not filing: "Tax Projection," "Estimated quarterly payment," "Projected federal tax."

4. Known limitations (disclosed)

These items are explicitly out of scope and communicated to users through the disclaimer text or the in-app Guide:

- **Local and city income taxes.** New York City, Yonkers, MD county taxes, OH/PA municipal, IN counties, and similar are not modeled.

- **Filing-status scope.** The current release models Single and Married Filing Jointly, the two statuses most relevant to RetireSmartIRA's target retirement-planning use cases. Married Filing Separately and Head of Household are not separately modeled and should not be used as the basis for decisions by users in those filing statuses.
- **State-specific surtaxes on capital gains** (e.g., MA 9% short-term, MD 2% high-AGI cap-gains surtax) are not separately modeled.
- **State retirement-income phaseouts.** Some states (NJ, RI, MN, etc.) have AGI-based phaseouts of pension or Social Security exemptions. Some of these exclusions are modeled at the primary exemption level rather than with every phaseout step. This may slightly over- or understate state tax near phaseout boundaries and is disclosed as a planning-tool limitation.
- **Estate, gift, and inheritance taxes** are not modeled. This is a retirement-planning tool, not an estate-planning tool.
- **General tax credits.** EITC, child tax credit, and similar credits not typically relevant at or near retirement are not modeled.

These limitations reflect a deliberate scope decision: build the best tool for retirement-decision planning, not a general-purpose tax calculator.

5. Update cadence and versioning

State and federal tax data is refreshed at least once per tax year. Mid-year state rate changes are incorporated through maintenance releases when material.

Each release ships with internal notes documenting which states were materially changed and what primary source backs each change. The app version is bumped on every release that touches tax data so users can confirm they're on a current build.

6. Process in practice

Concrete examples of the verification process catching real errors before release. These are kept as durable illustrations that the methodology works in practice; not as breaking news from any one release.

Missouri TY 2026 threshold catch

During a recent release, the independent review caught a Missouri threshold error before shipping. One official-looking DOR page reflected a prior-year return schedule (the schedule used for returns filed the following April), while the current-year withholding formula PDF contained the actual current-year thresholds. The first source *looked* current because it was on the DOR website with a recent publication date, but it was structurally the prior tax year's data.

The independent-review layer flagged the discrepancy; direct verification against the withholding formula PDF confirmed the catch; the code was corrected before shipping.

The lesson: changed states are reviewed against specific primary-source documents (forms, schedules, statutes), not general tax-summary pages that may reflect a different tax year.

7. Bottom line

RetireSmartIRA is not tax-preparation software. It is a retirement-planning tool with a documented tax-data methodology, primary-source review, automated regression tests, and disclosed scope limitations. Federal parameters are based on IRS-published guidance for the current planning year; material state tax changes are reviewed against official state sources. The app's goal is to help users evaluate retirement decisions — Roth conversions, withdrawals, Social Security timing, RMDs, and long-term tax exposure — with current, source-backed assumptions, while making clear that users should consult a qualified professional before acting.

8. Available for review

For press or professional review, state-specific verification notes are available on request, including:

- The exact bracket data shipped in the latest release
- The primary-source URL(s) used to verify it
- The internal review responses for that state
- The before/after diff vs. the prior release

Contact: support@retiresmartira.com

Current release

This section is updated each release that touches tax data. The methodology above is durable; the inventory below is versioned.

Release: v1.8.5

Release date: May 27, 2026

Planning tax year: 2026

Federal sources used in this release

- IRS Revenue Procedure 2025-32 (TY 2026 inflation-adjusted parameters)
- IRS guidance on One Big Beautiful Bill Act (OBBBA) provisions effective for 2026

State inventory

| Category | Count | Meaning |
|---|-----------|---|
| Materially changed in v1.8.5 and verified against primary sources | 26 | Rate, threshold, structural, or retirement-treatment change applied this release |
| No broad wage / retirement-income tax | 9 | AK, FL, NV, SD, TN, TX, WY + NH (interest/div only, phased out) + WA (capital gains only). No bracket schedule to update. |
| Re-checked in v1.8.5 against current official sources; no code change required | 4 | Verified TY 2026-current; carried forward unchanged |
| Carried forward from prior verified release; no published TY 2026 change identified | 12 | Existing model remained directionally current; no rate-structure change observed in primary sources |
| Total jurisdictions modeled | 51 | |

After this verification pass, we are not aware of any materially wrong state rate structure within the app's supported filing-status scope (Single, MFJ) and retirement-planning use.

In-app disclosure source references (as of v1.8.5)

- First-launch clickwrap: `ClickwrapView.swift:142`
- Guide disclaimer: `GuideView.swift:764`

RetireSmartIRA is an Alamo Ventures Group LLC product. App Store: <https://apps.apple.com/app/retiresmartira/> Website: <https://retiresmartira.com>