

# Retirement Tax Consultants Reveals Strategy to Cut Taxes on Roth Conversions by Up to 35% Using LLC Discounts

*The Best Way to Save on Roth Conversion Taxes You've Never Heard Of*

MCKINNEY, TX, UNITED STATES, May 12, 2025 /EINPresswire.com/ -- [Retirement Tax Consultants](#), a leading authority in retirement tax reduction planning, today announced a powerful strategy to help retirees reduce taxes on Roth IRA conversions by a minimum of 35% in the 2025 tax year. The key: applying valuation discounts to LLC interests held within IRAs.

This advanced tax strategy leverages IRS-accepted valuation principles—specifically Discounts for Lack of Marketability (DLOM), Lack of Control (DLOC) and Minority Interest Discounts—to reduce the fair market value (FMV) of assets converted from a traditional IRA to a Roth IRA. By lowering the FMV of closely held LLC interests through a qualified appraisal, taxpayers can reduce the taxable income triggered during conversion.



David Hyden, President/Founder

“Roth conversions are one of the most effective long-term tax planning tools available,” says David Hyden, President and Founder of Retirement Tax Consultants. “But the tax hit can be a barrier. By properly valuing LLC interests with legitimate discounts, retirees can convert more wealth at a lower tax cost—potentially saving hundreds of thousands of dollars.”

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We are the bridge between your Accountant and Financial Advisor: We do what they don't”

*David Hyden*

Key Highlights of the Strategy:

- Qualified Valuation Discounts: Reduces FMV of LLC

interests by a minimum of 35% using DLOM, DLOC and minority interest discounts.

- IRS-Compliant Approach: Strategy follows IRS Business Valuation Guidelines and relies on qualified, defensible appraisals.
- Audit-Ready Documentation: Clients receive fully documented reports to support the valuation in case of IRS scrutiny.
- 2025 Tax Opportunity: Applies to Roth conversions completed during the 2024 tax year, offering significant planning potential before year-end.



This strategy builds on IRS guidance and legal precedents recognizing valuation discounts in estate and gift tax cases, which are now being successfully applied in Roth conversion contexts. While the approach is powerful, Retirement Tax Consultants stresses the importance of working with experienced tax professionals and certified valuation experts to ensure compliance.

Hyden added, "We have a complete Diligence Process in place to help clients understand the strategy, including IRS Revenue Rulings, relevant court cases, sample LLC Operating Agreement, LLC Valuation Report, etc.

"We believe it's important for the client to first get a [Roth Analysis](#) completed to weigh the cost of Roth conversion vs not converting. Mitigating Tax Risk in retirement is perhaps the most important component to effective planning.

"If Congress is unable to extend the Tax Cuts & Jobs Act tax rates will automatically rise beginning in 2026. I believe it would be prudent for retirees and pre-retirees to get their tax planning completed soon."

For more information or to schedule a consultation, visit [www.retirementtaxconsultants.com](http://www.retirementtaxconsultants.com) or call 469-342-8889.

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