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SPECIAL REPORT

How to reduce your 2016 income taxes (even if it is already 2017) and plan for 2017

Tax season has arrived—again. The Internal Revenue Service reported on January 23rd that it successfully started accepting and processing 2016 federal individual income tax returns on schedule. According to the IRS.gov website, more than 153 million returns are expected to be filed this year. Taxpayers have until Tuesday, April 18, 2017 to file their 2016 returns and pay any taxes due. The deadline is later this year due to several factors. The usual April 15 deadline falls on Saturday this year, which would normally give taxpayers until at least the following Monday. However, Emancipation Day, a D.C. holiday, is observed on Monday, April 17, giving taxpayers nationwide an additional day to file. By law, D.C. holidays impact tax deadlines for everyone in the same way federal holidays do. Taxpayers requesting an extension will have until Monday, Oct. 16, 2017 to file.

The year 2016 did not generate major tax law changes. However, the year 2017 promises to be a challenging one for tax practitioners, as President Trump and Congressional Republicans have promised to enact a significant tax reform package in 2017. Even if there is no new law in 2017, tax practitioners still will have to cope with a number of tax changes that go into effect for the first time this year or apply for the first time for tax returns filed this year. Tax planning should always be an essential focus when reviewing your personal situation. However, when planning ahead for 2017 and beyond, most experts are watching for possible major changes.

One of our goals as financial professionals is to attempt to point out as many tax savings opportunities and strategies as possible for our clients. This special report reviews some of the broader recent tax law changes along with a wide range of tax reduction strategies. As you read this report, please note each tax strategy that you think could be beneficial to you. Not all ideas are appropriate for all taxpayers. We always recommend you address any tax strategy with your tax professional to consider how one tax strategy may affect another and calculate the income tax consequences (both state and federal). Remember, tax strategies and ideas that have worked in the recent past might not even be available under today's tax laws. Always attempt to understand all the details before making any decisions—it is always easier to avoid a problem than it is to solve one! Remember that you always have the option to do nothing. Again, please discuss any of your ideas with your tax preparer before taking action.

Please note—your state income tax laws could be different from the federal income tax laws. Visit www.sisterstates.com for a wide range of tax information and links to tax forms for all 50 states. All examples mentioned in this report are hypothetical and meant for illustrative purposes only.

Tax Law Changes

For 2016 tax filers, Congress did not enact an extenders package to revive tax provisions that expired at the end of 2016. Provisions that changed or expired at the end of 2016 include:

- **Higher floor beneath medical expenses for seniors.** For tax years beginning after Dec. 31, 2016, the floor beneath the itemized deduction for medical expenses of taxpayers who are age 65 or older increases from 7.5% of AGI to 10% of AGI. (Code Sec. 213(a), Code Sec. 213(f))
- **Some taxpayers may need new ITINs.** Any individual filing a U.S. tax return is required to state their taxpayer identification number on that return. Generally, a taxpayer identification number is the individual's Social Security number. However, in the

case of individuals who are not eligible to be issued an SSN, but who still have a tax filing obligation, the IRS issues individual taxpayer identification numbers for use in connection with the individual's tax filing requirements. (Reg. § 301.6109-1(d)(3)(i))

- **Revised due dates for partnership and C corporation returns.** Under the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41), effective generally for returns for tax years beginning after Dec. 31, 2015 (i.e., for 2016 tax year returns filed in 2017), calendar year partnerships, as well as S corporations, must file their returns by the 15th day of the third month after the end of the tax year. (Code Sec. 6072(b)) For prior returns, partnerships had to file by the 15th day of the fourth month after the end of the tax year.

  C corporations generally must file by the 15th day of the fourth month (it had been the third month) after the end of the tax year. However, for C corporations with fiscal years ending on June 30, the filing date continues to be the 15th day of the third month after the end of the tax year. Corporations with short tax years ending anytime in June are treated as if the short year ended on June 30, and they must file by the 15th day of the third month after the end of the tax year. For C corporations with fiscal years ending on June 30, the deferred filing due date won't apply until tax years beginning after Dec. 31, 2025.

- **Safe Harbor for de minimis errors on information returns and payee statements.** Effective for returns and statements required to be filed after December 31, 2016, the 2015 PATH Act established a de minimis safe harbor from penalties for the failure to file correct information returns and for failure to furnish a correct payee statements. If the error is $100 or less ($25 or less in the case of errors involving tax withholdings), the issuer of the information return is not required to file a corrected return and no penalty is imposed.

  However, if any person receiving payee statements requests a corrected statement, the penalty for failure to file a correct information return and the penalty for failure to furnish a correct payee statement continues to apply in the case of de minimis errors on that statement.

Also remember, in 2016 for individuals, the Child Tax Credit, American Opportunity Tax Credit and the Earned Income Tax Credit were all strengthened and made permanent.

For 2016, here are some other notable items from the PATH Act:

- **A deduction for state and local general sales tax in lieu of state income tax was extended and made permanent.** You can deduct either your state and local income taxes or your state and local general sales taxes—but not both. This is a very important break for millions of people who live in states with no state income tax.
- **Individuals at least 70½ years of age can still exclude from gross income qualified charitable distributions from IRAs of up to $100,000 per year.** Please remember to double check on what counts as a qualified charity and distribution before using this tax strategy.
- **Permanent deduction for educator expenses.** An eligible educator can deduct as much as $250 of unreimbursed costs of classroom supplies, such as books, computer equipment and software. This applies to a kindergarten through grade 12 teacher, instructor, counselor, principal or aide in school for at least 900 hours during a school year.. This is especially valuable since they can deduct it from their total income, using line 23 on Form 1040, rather than as a miscellaneous itemized deduction, according to the IRS.

Contribute to Retirement Accounts

If you haven't already funded your retirement account for 2016, consider doing so by April 18, 2017. That's the deadline for contributions to a traditional IRA (deductible or not) and a Roth IRA. However, if you have a Keogh or SEP and you get a filing extension to October 16, 2017, you can wait until then to put 2016 contributions into those accounts. To start tax-free compounding as quickly as possible, however, try not to delay in making contributions. Making a deductible contribution will help you lower your tax bill for 2016 and your contributions will compound tax-deferred.

To qualify for the full annual IRA deduction in 2016, you must either: 1) not be eligible to participate in a company retirement plan, or 2) if you are eligible, you must have adjusted gross income of $61,000 or less for singles, or $98,000 or less for married couples filing jointly. If you

are not eligible for a company plan but your spouse is, your traditional IRA contribution is fully-deductible as long as your combined gross income does not exceed $183,000. For 2016, the maximum IRA contribution you can make is $5,500 ($6,500 if you are age 50 or older by the end of the year). For self-employed persons, the maximum annual addition to SEPs and Keoghs for 2016 is $53,000.

Retirement Plan Limits		
	2016	2017
Contribution Limits		
401(k), 403(b) and most 457 plans	$18,000 ($24,000 if age 50+)	$18,000 ($24,000 if age 50+)
SEP	$53,000	$54,000
Traditional and Roth IRAs	$5,500 ($6,500 if age 50+)	$5,500 ($6,500 if age 50+)
Roth IRA income phaseout range (contributions)		
Single/Head of household	$117,000 - $132,000	$118,000 - $133,000
Married filing jointly	$184,000 - $194,000	$186,000 - $196,000
Married filing separately	$0-10,000	$0-10,000
Traditional IRA income phaseout range (deductibility)		
1. Covered by an employer-sponsored plan and filing as:		
Single/Head of household	$61,000 - $71,000	$62,000 - $72,000
Married filing jointly	$98,000 - $118,000	$99,000 - $119,000
Married filing separately	$0-10,000	$0-10,000
2. Not covered by plan but filing joint return with covered spouse	$184,000 - $194,000	$186,000 - $196,000

Although choosing to contribute to a Roth IRA instead of a traditional IRA will not reduce your 2016 tax bill (Roth contributions are not deductible), it could be the better choice because all withdrawals from a Roth can be tax-free in retirement. Withdrawals from a traditional IRA are fully taxable in retirement. To contribute the full $5,500 ($6,500 if you are age 50 or older by the end of 2016) to a Roth IRA, you must earn $117,000 or less a year if you are single or $184,000 if you're married and file a joint return.

The amount you save from making a contribution will vary. If you are in the 25% tax bracket and make a deductible IRA contribution of $5,500, you will save $1,375 in taxes the first year. Over time, future contributions could save you thousands, depending on your contribution, income tax bracket and the number of years you keep the money invested. If you have any questions on retirement contributions, please call us.

Roth IRA Conversions

A Roth IRA conversion is when you convert part or all of your traditional IRA into a Roth IRA. This is a taxable event. The amount you converted is subject to ordinary income tax. It might also cause your income to increase, thereby subjecting you to the Medicare surtax. Roth IRAs grow tax-free and withdrawals are tax-free in the future, a time when tax rates might be higher.

Whether to convert part or all of your traditional IRA to a Roth IRA depends on your particular situation. It is best to prepare a tax projection and calculate the appropriate amount to convert. Remember—you do not have to convert all of your IRA to a Roth. Roth IRA conversions are not subject to the pre-age 59½ penalty of 10%.

Another benefit of a Roth IRA conversion is that it allows you the flexibility to recharacterize your conversion by October 15th of the following tax year (this falls on a weekend in 2017, so you have till October 16th). This gives you the benefit of hindsight. If you do a conversion and the value of the Roth IRA goes down, you can change your mind and re-characterize it back to the traditional IRA without any tax consequence.

Consider using multiple Roth IRA accounts. If you decide to recharacterize, you must use all of the assets of a particular Roth IRA. You have the ability to choose which Roth IRA to recharacterize, but you do not have the right to recharacterize some of the investments within a Roth IRA and not others. For example, if you use multiple Roth IRA accounts and one of the accounts drops in value while the others increase, you can switch the underperforming account back to a traditional IRA tax and penalty free while still keeping the other Roth IRAs. Roth 401(k)s, first available in 2006, continue to evolve.

ATRA allows plan participants to convert the pre-tax money in their 401(k) plan to a Roth 401(k) plan without leaving the job or reaching age 59½. There are a number of pros and cons to making this change. Perhaps the biggest downside to an in-plan conversion is that there is no way to recharacterize the conversion. Your converted amount stays inside of the 401(k). **Please call us to see if this makes sense for you.**

Inherited IRAs

Be careful if you inherit a retirement account. In many cases, the decedent's largest asset is a retirement account. If you inherit a retirement account, such as an IRA or other qualified plan, the money is usually taxable upon receipt. There is no step-up in basis on investments within retirement accounts and therefore most distributions are 100% taxable.

Non-spouse beneficiaries usually cannot roll over an inherited IRA to their own IRA, but the solution to this problem can be easy: establish an Inherited IRA, also known as a "stretch" IRA. Non-spouse beneficiaries of any age are allowed to start their RMDs the year following the year the owner died and stretch them out over their own life expectancy. This will reduce your income taxes significantly compared to having all of the IRA taxed in one year.

These tax laws are very complicated and you must implement the requirements carefully to avoid any unnecessary income taxes and penalties. **Please contact us before receiving any distributions from a retirement account you inherit. Remember—it is easier to avoid a problem than it is to solve one!**

Required Minimum Distributions (RMD)

If you turned age 70½ during 2016, you still have until April 1, 2017, to take out your first RMD. This is a one-time opportunity in case you forgot the first time. The deadline for taking out your RMD in the future will be December 31 of each year. If you do not pay out your RMD by this deadline, you will be faced with a 50% penalty on the amount you should have taken. **If you have any questions on your Required Minimum Distributions please call us.**

Note: you usually do not have to take out an RMD from your current employer's retirement account as long as you work there and don't own more than 5% of the company. See your plan administrator if you have any questions.

2016 Tax Rates and Income Brackets

There are still seven federal income tax brackets for 2016. The lowest of the seven tax rates is 10%, while the top tax rate is 39.6%. The income that falls into each is scheduled to be adjusted each year for inflation. Typically, it is advisable to file jointly if you're married, because married couples who file separate returns tend to face higher taxes. Heads of household get wider income brackets than single filers, meaning their taxes are a bit lower. As a single filer, you will pay a top ordinary tax rate of 39.6% if your taxable income is more than $415,051 ($466,951 for married couples filing jointly). For higher income earners, the net investment income tax might not only take a bite out of taxpayers' bank accounts, but it could also cause headaches for their tax professionals as they work through the tax regulations. For 2016, there is a phase-out of itemized deductions and personal exemptions for taxpayers whose income is greater than $311,300 if married filing jointly or $259,400 if single.

Tax rate on income 2016	Married Filing Jointly & Qualifying Surviving Spouses		Head of Household		Single	
	For taxable income between:		For taxable income between:		For taxable income between:	
10%	$1	$18,550	$0	$13,250	$0	$9,275
15%	$18,551	$75,300	$13,251	$50,400	$9,276	$37,650
25%	$75,301	$151,900	$50,401	$130,150	$37,651	$91,150
28%	$151,901	$231,450	$130,151	$210,800	$91,151	$190,150
33%	$231,451	$413,350	$210,801	$413,350	$190,151	$413,350
35%	$413,350	$466,950	$413,351	$441,000	$413,351	$415,050
39.6%	$466,951	+	$441,001	+	$415,051	+

Not sure how to file? Then ask your tax preparer or review IRS Publication 17, Your Federal Income Tax, which is a complete tax resource. It contains helpful information such as whether you need to file a tax return and how to choose your filing status.

2016 Standard Deduction Amounts

Most taxpayers claim the standard deduction. The amounts for each of the filing statuses are adjusted annually for inflation. For taxpayers younger than age 65, the standard deduction for married joint filers is double the single amount ($6,300 and $12,600 respectively). Head of household taxpayers get a larger deduction ($9,300) since they are supporting dependents. Older taxpayers and visually impaired filers get bigger standard deduction amounts (additional $1,250 for married and $1,550 for unmarried taxpayers).

Investment Income

Recent tax laws permanently raised rates on long-term capital gains and dividends for top-bracket taxpayers. People that have enough income to pay taxes at the 39.6% rate will pay 20% in 2016 on the net long-term capital gains and dividends.

One tax strategy is to review your investments that have unrealized long-term capital gains and sell enough of the appreciated investments in order to generate enough long-term capital gains to push you to the top of your 15% Federal income tax bracket. This strategy could be helpful if you do not have to pay any Federal taxes on this gain. Then, if you want, you can buy back your investment the same day, increasing your cost basis in those investments. If you sell them in the future, the increased cost basis will help reduce long-term capital gains. You do not have to wait 30 days before you buy back this investment—the 30-day rule only applies to losses, not gains.

Note: this non-taxable capital gain for federal income taxes might not apply to your state.

Remember that marginal tax rates on long-term capital gains and dividends can be higher than expected. The 3.8% surtax can raise the effective rate to 18.8% for filers below the 39.6% tax bracket and 23.8% for people in the highest tax bracket.

Calculating Capital Gains and Losses

With all of these different tax rates for different types of gains and losses in your marketable securities portfolio, it's probably a good idea to familiarize yourself with some of the rules:

- Short-term capital losses must first be used to offset short-term capital gains.
- If there are net short-term losses, they can be used to offset net long-term capital gains.
- Long-term capital losses are similarly first applied against long-term capital gains, with any excess applied against short-term capital gains.
- Net long-term capital losses in any rate category are first applied against the highest tax rate long-term capital gains.
- Capital losses in excess of capital gains can be used to offset up to $3,000 of ordinary income.
- Any remaining unused capital losses can be carried forward and used in the same manner as described above.

Please remember to look at your 2015 income tax return Schedule D page 2 to see if you have any capital loss carryover for 2016. This is often overlooked, especially if you are changing tax preparers.

Please try to double-check your capital gains or losses. If you sold an asset outside of a qualified account during 2016, you most likely incurred a capital gain or loss. Sales of securities showing the transaction date and sale price are listed on the 1099 generated by the financial institution. However, your 1099 might not show the correct cost basis or realized gain or loss for each sale. You will need to know the full cost basis for each investment sold outside of your qualified accounts, which is usually what you paid for it, but this is not always the case.

3.8% Medicare Investment Tax

The year 2016 is the fourth year of the net investment income tax of 3.8%. It is also known as the Medicare surtax. If you earn more than $200,000 as a single taxpayer or $250,000 as a married joint return, then this tax applies to either your modified adjusted gross income or net investment income (including interest, dividends, capital gains, rentals, and royalty income), whichever is lower. This 3.8% tax is in addition to capital gains or any other tax you already pay on investment income.

At this time, there's little you can do to reduce this tax for 2016, and there has been discussion of it being repealed in future years. A helpful strategy has been to pay attention to timing, especially if your income fluctuates from year to year or is close to the $200,000 or $250,000 amount. Consider realizing capital gains in years when you are under these limits. The inclusion limits may penalize married couples, so realizing investment gains before you tie the knot may help in some circumstances. This tax makes the use of depreciation, installment sales, and other tax deferment strategies suddenly more attractive.

Medicare Health Insurance Tax on Wages

If you earn more than $200,000 in wages, compensation, and self-employment income ($250,000 if filing jointly, or $125,000 if married and filing separately), the Affordable Care Act also levies a special 0.9% tax on your wages and other earned income. You'll pay this all year as your employer withholds the additional Medicare Tax from your paycheck. If you're self-employed, be sure to plan for this tax when you calculate your estimated taxes.

If you're employed, there's little you can do to reduce the bite of this tax. Requesting non-cash benefits in lieu

of wages won't help—they're included in the taxable amount. If you're self-employed, you may want to take special care in timing income and expenses (especially depreciation) to avoid the limit.

Medical Expenses

Deducting medical expenses in 2016 has become a little more difficult. For 2016, you can only deduct them to the extent they exceed a whopping 10% of your AGI. If you or your spouse is over age 65, the old 7.5% floor still stands for 2016, but is scheduled to be gone in 2017.

This higher floor makes the bunching of medical expenses even more necessary. If you have big medical expenses, try to pay them in a year when you can take advantage of the deduction. Medical expenses are deductible in the year you pay them, not necessarily when you incur them. For example, if your children need braces on their teeth and you are making payments over time to the orthodontist, you may never get a deduction for the expense. However, if you pay it all in one year, you might pass the 10% floor and get some consolation in the form of a tax deduction.

Energy Credits

You can still get an energy efficiency tax credit for qualifying energy-efficient products such as solar hot water heaters, solar electric equipment and wind turbines. The credit is 30% of the cost of these products you installed in or on your home. There is no limit to the amount of credit you can take, and you can carry forward any unused credit to future tax years. This credit was extended to 2016 and can be claimed by filing Form 5695 with your tax return.

Charitable Gifts and Donations

When preparing your list of charitable gifts, remember to review your checkbook register so you don't leave any out. Everyone remembers to count the monetary gifts they make to their favorite charities, but you should count noncash donations as well. Make it a priority to always get a receipt for every gift. Keep your receipts. If your contribution totals more than $250, you'll also need an acknowledgement from the charity documenting the support you provided. Remember that you'll have to itemize to claim this deduction, but when filing, the expenses incurred while doing charitable work often is not included on tax returns.

You can't deduct the value of your time spent volunteering, but if you buy supplies for a group, the cost of that material is deductible as an itemized charitable donation. Similarly, if you wear a uniform in doing your good deeds (for example, as a hospital volunteer or youth group leader), you can also count the costs of that apparel and any cleaning bills as charitable donations.

You can also claim a charitable deduction for the use of your vehicle for charitable purposes, such as delivering meals to the homebound in your community or taking your child's Scout troop on an outing. For 2016, the IRS will let you deduct that travel at 14 cents per mile. This charitable rate can only be adjusted through the legislative process, and has remained unchanged since 1997.

Child and Dependent Care Credit

Millions of parents claim the child and dependent care credit each year to help cover the costs of after-school day care while working. Some parents overlook claiming the tax credit for child care costs during the summer. This tax break also applies to summer day camp costs. The key is that for deduction purposes, the camp can only be a day camp, not an overnight camp.

Remember the dual nature of the credit's name: child and dependent. If you have an adult dependent that needs care so that you can work, those expenses can possibly be claimed under this tax credit.

The Health Insurance Mandate

The Patient Protection and Affordable Care Act requires that you must carry a minimum level of health insurance for yourself, your spouse and your dependents. If you fail to do so, you could possibly pay a fine. For tax year 2016, the penalty is the greater of 2.5% of your total household adjusted gross income, or $695 per adult and $347.50 per child, to a maximum of $2,085.

Other Overlooked Tax Items and Deductions

Reinvested Dividends - This isn't a tax deduction, but it is an important calculation that can save investors a bundle. Former IRS commissioner Fred Goldberg told Kiplinger magazine for their annual overlooked deduction article that missing this break costs millions of taxpayers a lot in overpaid taxes.

Many investors have mutual fund dividends that are automatically used to buy extra shares. Remember that each reinvestment increases your tax basis in that fund. That will in turn reduce the taxable capital gain (or increases the tax-saving loss) when you redeem shares. Please keep good records. Forgetting to include reinvested dividends in your basis results in double taxation of the dividends—once in the year when they were paid out and immediately reinvested and later when they're included in the proceeds of the sale.

Don't make that costly mistake.

If you're not sure what your basis is, ask the fund or us for help. Funds often report to investors the tax basis of shares redeemed during the year. Regulators currently require that for the sale of shares purchased, financial institutions must report the basis to investors and to the IRS.

Student-Loan Interest Paid by Parents - Generally, you can deduct interest only if you are legally required to repay the debt. But if parents pay back a child's student loans, the IRS treats the transactions as if the money were given to the child, who then paid the debt. So as long as the child is no longer claimed as a dependent, the child can deduct up to $2,500 of student-loan interest paid by their parents each year. And he or she doesn't have to itemize to use this money-saver. *(The parents can't claim the interest deduction even though they actually foot the bill because they are not liable for the debt).*

Helpful Tax Time Strategies

- Write down or keep all receipts you think are even possibly tax-deductible. Many taxpayers assume that various expenses are not deductible and do not even mention them to their tax preparer. Don't assume anything—give your tax preparer the chance to tell you whether something is or is not deductible.
- Be careful not to overpay Social Security taxes. If you received a paycheck from two or more employers, and earned more than $118,500 in 2016, you may be able to file a claim on your return for the excess Social Security tax withholding.
- Don't forget deductions carried over from prior years because you exceeded annual limits, such as capital losses, passive losses, charitable contributions and alternative minimum tax credits.
- Check your 2015 tax return to see if there was a refund from 2015 applied to 2016 estimated taxes.
- Calculate your estimated tax payments for 2017 very carefully. Most computer tax programs will automatically assume that your income tax liability for the current year is the same as the prior year. This is done in order to avoid paying penalties for underpayment of estimated income taxes. However, in many cases this is not a correct assumption, especially if 2016 was an unusual income tax year due to the sale of a business, unusual capital gains, exercise of stock options, or even winning the lottery!
- Remember that IRS.gov is an online resource that has everything you need to help file your tax return.
- **Always double check your math where possible!**

Looking ahead to 2017

With Donald Trump now the 45th President and the Republicans controlling the House and Senate, many tax professionals feel we are likely to see a number of tax changes in the year ahead if his campaign plans and promises hold. President Trump's campaign website was light on the details but the following are various tax proposals as set forth on Trump's campaign site. Here is some of what they have proposed:

- Federal tax rates and brackets would be simplified down to three versus the current seven today. Those with a taxable income between $0 and $37,500 ($0 to $75,000 for married filers) would be subject to a 12% tax rate, taxable income between $37,500-$112,500 for individuals ($75,000-$225,000 for married filers) would be subject

to a 25% rate, and those with taxable income above $112,500 ($225,000+ for married filers) would be subject to a 33% federal tax rate.

- The standard deduction would more than double to $15,000 for single filers to $30,000 for married couples filing jointly while ending personal exemptions.
- Itemized deductions would be capped at $100,000 for single filers and $200,000 for married couples filing jointly.
- Elimination of the 3.8% tax on net investment income on people with incomes (MAGI) of over $200,000 for single filers and $250,000 for married filers.
- Tax rates on long-term capital gains would be kept at the current 0%, 15% and 20%.
- A full repeal the alternative minimum tax (AMT) and the estate tax. Under current law, estates valued at more than $5.45 million are subject to a 40% tax rate.
- The individual mandate (or Obamacare tax as some call it) would also be repealed in 2017, meaning that penalties would not result if people don't have health insurance.

All final plans will need to be approved by Congress. Many times, to get wide scale tax reform passed across all branches of government, there are compromise tax plan agreements. Our goal is to keep watching these tax changes as they progress.

Conclusion

For 2016, taxpayers faced a fairly stable tax environment. An essential part of maintaining your overall financial health is attempting to keep your tax liability to a minimum. Managing wealth involves careful planning and keeping updated and informed of any changes that affect investors. Looking ahead to 2017, taxpayers need to keep a watchful eye on Congress and tax legislation. All the current suggested tax law proposals could affect investments, estate planning and retirement planning. Although these proposals are not yet law, they still need to be monitored. One of our primary goals is to keep you informed as tax laws that affect investors change. We hope that all these tax laws and changes do not confuse you. We believe that taking a proactive approach is better than a reactive approach—especially regarding income tax strategies!

Remember—if you ever have any questions regarding your finances, please be sure to call us first before making any decisions. We pride ourselves in our ability to help clients make decisions! Many times there is a simple solution to your question or concern. Don't worry about things that you don't need to worry about!

P.S. According to a recent estimate from the Internal Revenue Service, taxpayers spent 8.9 billion hours complying with federal taxes during 2016, or the equivalent of nearly 13,000 lifetimes.

Has your financial advisor discussed how tax planning affects your investments?

If not, we would like to offer you a complimentary consultation. Please call Lou at 541.574.6464 (Oregon Coast Area) or Holli at 971.599.5142 (Valley Area) and we would be happy to assist you!

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