

PROFESSIONAL FINANCIAL SERVICES, INC.

"DESIGNING AND PROTECTING WEALTH"

ONE PLAN AT A TIME

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Robert E. Tucker
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Re: The American Taxpayer Relief Act of 2012

Dear Bob:

For most of us, the American Taxpayer Relief Act of 2012 came as welcome news. Enclosed is a booklet that highlights its various provisions, and hopefully, it will facilitate your understanding.

Impacted were both Income taxation and Estate/Gift taxation. A major estate planning provision is the Estate Exemption (now \$5,250,000 per person). Absent this new tax law, the exemption would have been only \$1,000,000 per person. So, for those with taxable estates greater than \$1,000,000, there is now huge tax relief. For those with taxable estates greater than \$5,250,000, there is also relief in that the top tax rate is now capped at 40% vs. the 55% rate before.

With tax issues at least partially resolved for the moment, perhaps Congress can now move forward on REDUCING SPENDING-probably wishful thinking.

Here's what I think I know. If recent years have demonstrated anything, it is that Congress can and will change tax law. To what degree and when? Who knows? So, we all can and should plan one year at a time, but the days of feeling there is any long range permanency to tax law are and have been over. Regardless, at least the new law resulted in mostly favorable results for 2013.

This information should not be considered as tax/legal advice. You should consult your tax/legal advisor regarding your own tax/legal situation.

I hope you find the booklet enlightening, and please call me should you have any issues that are of concern to you.

Best regards,

Robert E. Tucker, CLU
Chartered Financial Consultant

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Enclosure

A REGISTERED INVESTMENT ADVISOR

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