



Special Report!



How to Reduce Your 2014 Income Taxes (*Even if it is already 2015*) and Plan for 2015

Planning your taxes for 2014 became a little easier thanks to the tax rates and rules that became permanent in 2013. While these changes brought some increased certainty, they also created tax hikes for many high-income taxpayers. For 2014, taxpayers need to also be aware of the new and expanded taxes that the *Affordable Care Act* (ACA) created.

While it is important to note that many tax law provisions were made “permanent”, that simply means that these provisions no longer have expiration dates. With tax reform on Congress’ agenda for 2015, we still may see some major changes in the future.

What does this mean?

Tax planning should always be an essential focus when reviewing your personal situation. However when planning ahead for 2015 and beyond, you should not count on all tax rules remaining the same forever. 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 “Extenders”

After the November 2014 elections, Republicans took control of both the House of Representatives and the Senate. Although a number of tax reform drafts and proposals circulated throughout 2014, none of them made it to a final stage. This left tax writers without a plan to address the 55 temporary and individual tax provisions that expired at the end of 2013. Finally, a post-election “lame duck” session in Congress created H.R. 5771, The Tax Increase Prevention Act, which President Obama signed on December 19th, 2014.

Here is a list of some major individual tax extenders which were added to tax laws only through Dec. 31, 2014.

- **The deduction for state and local sales taxes.** This option to deduct state and local sales taxes instead of deducting state and local income taxes can be significant for residents of nine states that do not have to pay state tax on wage income. Seven of the states—Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming—have no state-level taxation of any earnings. Tennessee and New Hampshire tax only interest and dividend income.

Taxpayers who make a large purchase like a new automobile should also weigh the decision as to which strategy would produce a better tax result for 2014. If you made a major tax generating big ticket purchase, please show that to your tax preparer. If you itemize your deductions, you can choose between deducting state and local sales tax or state income tax. You can ask your tax preparer about the IRS optional State Sales Tax Tables which can be helpful for taxpayers with regards to using an actual receipts method.

- **A \$250 above-the-line deduction for school teachers for supplies.**

- **Parity for employer-provided mass transit and parking benefits** (\$250 a month, up from \$130 a month).
- **The ability to exclude up to \$2 million in discharge of residential mortgage indebtedness from gross income.** Normally taxpayers have to pay income taxes on forgiven debt.
- **The deduction for mortgage insurance premiums.**
- **Energy-efficient home improvements tax credit.** This one was listed under “energy” extenders but it affects homeowner’s personal tax return. You can get a tax credit (that’s a dollar for dollar reduction in your tax liability) of up to \$500 for making energy-efficient home improvements like new windows or upgraded heating/AC equipment. Please try to double check on what counts here before using this tax credit.
- **Tax-free distributions from an Individual Retirement Account for charitable purposes (the IRA charitable tax rollover) for taxpayers over 70 ½.** Please try to double check on what counts as a qualified charity and distribution before using this tax strategy.

Contribute to Retirement Accounts

If you haven’t already funded your retirement account for 2014, consider doing so by April 15, 2015. 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 15, 2015, you can wait until then to put 2014 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 2014 and your contributions will compound tax-deferred.

To qualify for the full annual IRA deduction in 2014, 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 \$60,000 or less for singles, or \$96,000 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 \$181,000. For 2014, the

Dollar Limits on Contributions to Non IRA Plans	2015	2014
SEP		
SEP Minimum Compensation	\$600	\$550
SEP Maximum Contributions	\$53,000	\$52,000
SEP Maximum Compensation	\$265,000	\$260,000
SIMPLE PLANS		
SIMPLE Maximum Contributions	\$12,500	\$12,000
Catch-up Contributions	\$3,000	\$2,500
401(k), 403(b), Profit Sharing Plans		
Annual Compensation	\$265,000	\$260,000
Elective Deferrals	\$18,000	\$17,500
Catch-up Contributions	\$6,000	\$5,500
Defined Contributions Limits	\$53,000	\$52,000

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 2014 is \$52,000.

Although choosing to contribute to a Roth IRA instead of a traditional IRA will not reduce your 2014 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 2014) to a Roth IRA, you must earn \$114,000 or less a year if you are single or \$181,000 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

Individual Retirement Account Tax Limits		2014	
IRA Contribution Limits	\$5,500 (Traditional & Roth)		
Catch-up (over age 50)	\$1,000 additional (\$6,500 total)		
Income Phase-outs for Traditional IRAs			
Covered By Employer’s Plan	Deductible Income	Phase-out Income	Non-deductible Income
Married Filing Jointly, both covered	\$1 - 95,999	\$96,000 - 116,000	\$116,000 +
Married Filing Jointly, one covered	\$1 - 180,999	\$181,000 - 191,000	\$191,000 +
Single, covered	\$1 - 59,999	\$60,000 - 70,000	\$70,000 +
Income Phase-outs for Roths			
Married Filing Jointly	\$181,000 - 191,000		
Single	\$114,000 - 129,000		

\$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 59 ½ 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 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. 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 2014, you still have until April 1, 2015, 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 31st 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.

2014 Individual Income Tax Rate Schedules

2014 Federal Tax Rate	Single	Married Filing Jointly & Surviving Spouses	Married Filing Separate Returns	Head of Households
Std. Deduction	\$6,200	\$12,400	\$6,200	\$9,100
10%	\$ 0 - 9,075	\$ 0 - 18,150	\$ 0 - 9,075	\$ 0 - 12,950
15%	\$ 9,076 - 36,900	\$ 18,151 - 73,800	\$ 9,076 - 36,900	\$ 12,951 - 49,400
25%	\$ 36,901 - 89,350	\$ 73,801 - 148,850	\$ 36,901 - 74,425	\$ 49,401 - 127,550
28%	\$ 89,351 - 186,350	\$ 148,851 - 226,850	\$ 74,426 - 113,425	\$ 127,551 - 206,600
33%	\$ 186,351 - 405,100	\$ 226,851 - 405,100	\$ 113,426 - 202,550	\$ 206,601 - 405,100
35%	\$ 405,101 - 406,750	\$ 405,101 - 457,600	\$ 202,551 - 228,800	\$ 405,101 - 432,200
39.6%	Over \$ 406,750	Over \$ 457,600	Over \$ 228,800	Over \$ 432,200

2014 Tax Rates and Income Brackets

Currently there are seven federal income tax brackets. 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 \$432,200 (\$457,600 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 2014, there is a phase-out of itemized deductions and personal exemptions for taxpayers whose income is greater than \$305,050 if married filing jointly, or \$254,200 if single.

2014 Standard Deduction Amounts

Most taxpayers claim the standard deduction. The amounts for each of the five 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. Head of household taxpayers get a larger deduction since they are supporting dependents. Older taxpayers and visually impaired filers get bigger standard deduction amounts.

Investment Income

The new tax laws permanently raise rates on long-term capital gains and dividends for top-bracket taxpayers. People that have enough income to pay tax at the 39.6% rate will pay 20% in 2014 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 raises the effective rate on tax-favored gains and dividends to 18.8% for filers affected that are 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, it's probably a good idea to familiarize yourself with some of these 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 2013 income tax return Schedule D page 2 to see if you have any capital loss carryover for 2014. 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 2014, 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. **Remember: The tax rates on long-term capital gains permanently increased in 2013.**

3.8% Medicare Investment Tax

For 2014, just like in its inaugural year of 2013, one of the most dreaded newer taxes is 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 new 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 2014, but you can try to reduce its impact in 2015. A helpful strategy is 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 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 deferral 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.

Simplified Option for Home Office Deduction

Again in 2014, the IRS offers a simplified home office deduction. The optional deduction is \$5 for each square foot of home office space, up to a maximum of 300 square feet. That comes to a maximum \$1,500 annual home office deduction. The IRS estimated that this option saved home-office filers 1.6 million hours of paperwork and record keeping collectively. Instead of filling out Form 8829, you'll use a worksheet in the Schedule C instruction book and enter your simplified home-office deduction amount on Schedule C. While this deduction option was welcomed by many, note that the requirements to qualify as a home office still apply. For instance, the office space must be used regularly and exclusively for business.

Even better, when you use this simplified option, you can still deduct mortgage interest and real-estate taxes in full. When you sell your home, you won't have to

worry about calculating depreciation on your home or recapturing depreciation. If you qualify for the home office deduction, there's no better time to take it. It's worth even designating a room of your house to your business, assuming you meet the qualifications.

Medical Expenses

Another recent tax change is the floor for deducting medical expenses. Prior to 2013, you could deduct medical expenses once they passed 7.5% of your adjusted gross income (AGI). For 2014, 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 until 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.

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 2014, the IRS will let you deduct that travel at 14 cents per mile.

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 required that you must carry a minimum level of health insurance for yourself, your spouse, and your dependents starting in 2014. If you fail to do so, you could possibly pay a fine. This fine in 2014 could be up to 1% of your yearly income or \$95 per person for the year, whichever is higher. The penalties go up for 2015 and again for 2016. This is a new item on your 2014 tax return, because the mandate began in 2014.

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. 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. In fact, for the sale of shares purchased in 2012 and later years, funds must now 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, he or she 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).

Deduction of Medicare Premiums for the Self-Employed

Folks who continue to run their own businesses after qualifying for Medicare can deduct the premiums they pay for Medicare Part B and Medicare Part D, plus the cost of supplemental Medicare (medigap) policies or the cost of a Medicare Advantage plan. This deduction is available whether or not you itemize and is not subject to the 7.5% of AGI test that applies to itemized medical expenses. One caveat: You can't claim this deduction if you are eligible to be covered under an employer-subsidized health plan offered by either your employer (if you have a job as well as your business) or your spouse's employer (if he or she has a job that offers family medical coverage).

American Opportunity Tax Credit

In 2012, the American Opportunity Tax Credit was extended through December 31, 2017. This is a partially refundable tax credit for higher education

expenses. To qualify, a student must be enrolled at least half-time for at least one academic period beginning during 2014 (or the first 3 months of 2015 if the qualified expenses were paid in 2014). The full \$2,500 credit is available to individuals whose modified adjusted gross income is less than \$80,000 (or \$160,000 for married couples filing a joint return). You cannot claim this tax credit if your modified adjusted growth income is \$90,000 for individuals (\$180,000 for married couples filing jointly).

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 \$117,000 in 2014, 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 2013 tax return to see if there was a refund from 2013 applied to 2014 estimated taxes. Remember that this amount represents a payment for 2013 taxes and also is tax deductible as state income taxes as mentioned above.
- ✓ Calculate your estimated tax payments for 2015 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 2014 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!

- ✓ Always double check your math where possible!

Conclusion

Even though 2014 offered 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 2015, President Obama, in his recent fiscal year 2016 budget submission, has already introduced some suggested proposals that would affect investments, estate planning and retirement planning through changes in the tax laws. Although these proposals are not likely to be enacted into law in their current form, 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. In 2014, retiring Oklahoma Senator Tom Coburn and his staff produced a 312 page report on our Federal Tax System, titled *Tax Decoder*. The Senator, a physician, also happens to have a degree in accounting. In his report, he pointed out that between 2001 and 2012, Congress made over 4,600 changes to the tax code – an average of more than one change per day. He noted that in 2012, the IRS code contained over 4 million words, or enough to fill 9,000 pages. The original 1913 income tax law only had 27 pages of text. His solution was to let the IRS code expire and for Congress to start again. Although that will probably never happen, hopefully any changes that are made in 2015 will make life easier and simpler for investors.



Complimentary Financial Check-up

Has someone coordinated your investments with your taxes?

We welcome the opportunity to offer you a complimentary financial check-up. Please call us at (858) 487-1111 to schedule an appointment today!

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Sources: www.irs.gov; Kiplinger Tax Letter; Barron's; Bankrate.com; Fact Checked by Keebler & Associates; © The Academy of Preferred Financial Advisors, Inc. 2015

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We suggest that you discuss your specific tax issues with a qualified tax advisor.

Brian is a Registered Financial Consultant and a Retirement Income Certified Professional with Heritage Retirement Advisors, Inc.