

Recipe for Richness: Mouthwatering News – We Have a Two-Year Bite at the Tax Enchilada

This winter, the long-awaited compromise regarding estate taxes and income tax rates became law. This gives us all a two-year window to do some significant estate, gift and GST planning and a continuation of the income tax planning already taking place.

Here are some dishes to sample from this tasty tax-planning feast:

Consider additional Roth IRA conversions in 2011 and 2012. If it was a good idea for you with the 2010 tax rates, it may still make sense for two more years.

The gift, estate and GST exemptions are now all \$5,000,000 - but only for the next two years! To take maximum advantage of this window, consider several ideas to structure your family's planning for the next two years and beyond.

- Do your children constantly use you as the Bank of Mom and Dad? You may want to forgive some of those loans with the increased gift tax exemption for the next two years.
- Consider a Lifetime Credit Shelter Trust for each spouse. These are frequently used as part of a will, but can also work equally well while living. They offer some level of protection for your assets but still leave open the possibility of accessing the funds if you must.
- Do you have fiscally savvy grandchildren? Utilize the new \$5 Million GST exemption during the next two years. Giving money directly to grandchildren now can have a huge estate tax savings later.

We wrote about the benefits of GRATs in our last Recipe for Richness. Those are still a very good idea as part of an overall review of your estate plan.

This is a lot to think about. Now is the best time to sit down with your AMD tax advisor and your attorney to determine the best ingredients for your family's wealth recipe.

recipe for Richness

hot taco dip

Ingredient List

- 1 lb. hamburger
- onion
- 1 can re-fried black bean dip
- 1 lg. jar taco sauce (mild or medium)
- 3 cups cheese
- jalapeño peppers
- 8 oz. sour cream

Preparation Instructions

Fry hamburger with onion. In a 9" x 13" dish, layer the:

- fried hamburger
- re-fried black bean dip
- taco sauce
- cheese
- jalapeño peppers to taste

Bake 10 Minutes. Take the dish out of the oven and spread the sour cream over top and add more cheese. Return to oven and heat through.

Can be served with chips or salad for a meal.