

September 2006

Ahhhh! The chill of autumn is in the air. Autumn, a symbol of change, often encourages change – weddings, births, kids back in school and college, as well as other lifestyle and financial shifts – some we expect and some which surprise us.

Enclosed is a client newsletter exploring various retirement issues, produced by the National Association of Enrolled Agents (NAEA). Take a moment to read it over.

Change, both positive and negative, is inevitable. It affects each part of our lives at some point. Frequently, change impacts us financially. Each year, we are influenced by the shifting tides of Congress by way of tax law revisions. Tax laws rarely touch a single year. Oftentimes, various provisions are phased in or sunset over several years. Subsequent modifications can shorten or elongate those timelines, or make the provisions permanent. (Even permanent provisions can change with the winds of political attitudes and majorities.) Congress has, true to form, passed several new federal tax provisions, clarifications, expansions and reductions. Some take effect in 2006; others in '07.

Personally or professionally, you may have experienced changes that affect your 2006 tax liability. Perhaps your family has grown or you or your spouse started a new job. Maybe you've incurred capital gains or another investment has borne fruit. Suppose your small business has experienced significant growth and income. Consider expected 2007 changes.

Yes, change is indeed unavoidable. *Do you handle change or does change handle you?* Tax planning is no different than other ways we plan each day, but it can have a substantial effect on the bottom line. Is planning necessary each year? It's unlikely. However, if you've had significant changes in your income, deductions or tax payments/withholding (or expect to), then I often recommend a tax projection to clients. If you're unsure, it never hurts to call or e-mail me to discuss.

I hope you had a chance to relax during the warmer weather. I've spoken with many of you on various issues. While not hectic with the bustle of tax season, I kept busy. I was fortunate to experience terrific presenters, network with other EA's, and learn a great deal at the annual 3-day National Tax Practice Institute in Washington, DC. This event concentrates solely on representing clients before the Internal Revenue Service. I received valuable information on the IRS' current focus, some of which from current and former high-level IRS personnel. It was a superb seminar and I look forward to attending next year.

The next newsletter will probably discuss year-end planning as well as some of the 2007 tax year changes. Please contact me with questions, concerns, or if you're considering your tax planning needs. I'd love to hear from you!

**If you fail to plan, you plan to fail.
Tax and financial planning is no exception.**