

August 2007

It seems like it wasn't all that long ago that we were discussing 2006 taxes. Alas, we are knee-deep in summer! I hope you are all enjoying the summer and time with your families. Before long, vacation season will pass, schools will re-open and the leaves will change. It seems no matter how busy or relaxing our lives might be, time marches on, often much faster than we realize.

Enclosed is a client newsletter, which explores estate planning. It is produced by the National Association of Enrolled Agents (NAEA). As you read it, realize that estate planning is not just for the wealthy.

The newsletter offers information on planning your post-mortem financial affairs and final wishes. Then it discusses what happens after the inevitable occurs. Will you have a taxable estate for state and/or federal purposes? Can you reduce those potential liabilities before you die? Will your estate need to file a tax return before it settles? Who will handle your affairs? What information will your personal representative need and where should you keep it now? These are key questions, many of which can be answered with careful planning. Also, your legal and tax advisors can do tax planning after your death to minimize estate and fiduciary liabilities.

As I mentioned above, time passes much quicker than we sometimes notice. That passage of time often steals vital planning opportunities. Have you put off drafting a will, completing living wills, and other important documents? Have you ignored existing documents for years – or decades? Our wishes, families, and the tax laws all change, yet the pieces of paper remain the same. Take this occasion to meet with your attorney to review those documents. If you have complex issues, such as trusts, be sure to have an estate planning attorney draft or review the documents. Poorly worded agreements and wills can have the opposite effect of your intentions. If you've done Medicaid planning, reassess these plans with your attorney as Medicaid's qualification process has also changed.

I'm happy to announce a few professional developments. First, I've just completed a thorough remodel of my home office, providing me a more professional setting to meet with clients. Second, I've been nominated and accepted as a planning committee member for NAEA's National Tax Practice Institute (NTPI) for 2008. Third, I was recently elected Treasurer of the Lower Hudson Valley Chapter of the New York State Society of Enrolled Agents (NYSSEA). I'll be in Baltimore for NTPI at the end of August, completing level two of the three-tiered program I began last summer.

Please enjoy the remainder of the summer before it passes us by. As always, if you have any questions or concerns, please contact me. I'd love to hear from you!

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