



Memorandum

To: Clients, Associates & Friends of Pro@ctive CPA
From: Mark Wyssbrod, Managing Member
Date: November 27, 2012
Re: Take Advantage Of Capital Gains Rates While You Can!

Everyone is talking about tax increases, but there are still ways to take advantage of the current tax rates before they are set to jump at the end of the year! For example, long-term capital gains rates are 0% (zero) if you are in the 10% or 15% income tax bracket! Why not sell, lock in the gain, and only pay state income tax? Of course, we recommend planning before you make any moves!

The long-term capital gain rates through the end of 2012 are as follows:

- Net Long-Term Capital Gain – 15%
- Reduced Long Term Capital Gain Rate if ordinary rate is 10% or 15% - 0%
- Gain on collectibles - 28%
- Unrecaptured Section 1250 Gain – 25%

Long-Term Capital Gain rates are scheduled to increase on 1/1/13. The long term capital gain rate is expected to increase to 20% but there is speculation that the rate could be as high as 25% if Congress acts to raise the rate even higher. The reduced long term capital gain rate is expected to be 15% if ordinary rate is 10%. Thus after 2012, there will no longer be a 0% capital gain rate.

If there are sales of capital gain assets which could close in 2012, selling in 2012 could save you upwards of 10-15%.

Please contact us if you are interested in learning more and/or if you would like to have a year-end tax planning meeting. You can contact our team at (770) 664-8583 (extension 560 for Mark and extension 561 for Cindy).

Best wishes during your Holiday Season,

Your Pro@ctive CPA Team

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