

GOLDENBULLETS

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THOUGHT YOU'D LIKE TO SEE THIS:

HOW TO USE YOUR INCOME TAX RETURN TO SPOTLIGHT FINANCIAL SECURITY NEEDS

Pablo Picasso said,

**“There’s only one way to see things -
until someone shows you how to look at them
- through different eyes.”**

If you are like most Americans, you are just starting to recover from the trauma of preparing and filing your IRS Form 1040, the federal income tax return, and worse yet, paying your taxes.

The odds are good you have been asking yourself,

- What can I do so that next year I will **NOT** have to pay so much tax?
- How can I optimize my (deductible) retirement planning possibilities?
- Do I (does my family) have adequate financial security if I die or become disabled, or when I retire, or when the time comes for my children to go to college or professional school?

You'll find a wealth of tax reduction opportunities by using your 2006 tax return, not as history, but as a way to change your future - by looking at it through different eyes.

Here are just a few questions of the many questions you may want to ask yourself as you revisit your latest 1040:

1. What is my combined federal and state tax bracket?
2. What can I do to reduce income taxes?

3. Should more of my assets be placed into tax exempt or tax deferred investments or in a deferred annuity?
4. Is too much income coming from one source (Should I diversify)?
5. Am I liability prone? Should some of my assets be re-titled or repositioned to provide greater exemption or protection from creditors?
6. Have I considered UTMA (Uniform Transfers to Minors Accounts), 2503(c) Trusts, FLPs (Family Limited Partnerships), LLCs, or other tools or techniques such as making annual gifts of income producing property that will help shift income (and income taxes) to lower bracket family members?
7. Have I considered the incredible power of regular or Roth IRAs for my children or grandchildren who are working this summer and have earned income, and combining this with gifts of property to reduce my taxable estate?

There are, of course, many other questions and estate and financial security ideas that you can discover by going through your recently completed IRS 1040.

As always, please feel free to call to discuss these or any other areas of interest or concern. We are here for you.

UPDATE: MEDICAID RECOVERY PROGRAM APPROVED BY PANEL

A Medicaid estate recovery program could be created to help recoup some of the state's Medicaid costs under legislation reported to the Senate by the Appropriations Committee on March 28, 2007.

Michigan is the only state that does not now have an estate recovery program, required by federal law, and Governor Jennifer Granholm has called for such a program to be created to help stave off some of the state's budget problems.

Senate Bill 374 allows the state to create the program that would allow the state to put a lien on the property of the Medicaid recipients, mostly elderly nursing home residents, to recover some of the costs spent on their care. The bill is expected to only raise about \$1.7 million, and was opposed by AARP.

IF YOU PREFER TO RECEIVE "GOLDEN BULLETS" BY EMAIL, PLEASE SEND A NOTE TO ME AT: rwilson@fraserlawfirm.com. Thank you.

"Golden Bullets" is provided as a source of general information about current developments in the practice of estate planning and related topics. If you have questions regarding this issue or estate planning in general, please contact me prior to taking action.

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