

Sol Schwartz & Associates, P.C.

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Things to Think About Doing Prior to Year-End

With 2010 coming to a close, here are some things to think about doing prior to year-end.

1. Trigger capital gains before capital gain rates go up from 15% to 20% (23.8% in 2013)
2. Consider Roth conversions while stock prices and tax rates are down
3. Take advantage of Generation-Skipping Transfer tax opportunities before year-end when the tax is reinstated
 - Make outright gifts to grandchildren
 - Consider taxable distributions from or termination of trusts not exempt from the generation-skipping transfer tax
4. Consider making taxable gifts before the 35% gift tax rate goes up to 55% in 2011
5. Consider financed net gifts
6. Create Grantor Retained Annuity Trusts (GRAT) to pass future appreciation in stocks to children with no gift tax
7. Create, sell, or gift family partnership interests while tax rates are down and discounts are still allowed
8. Consider creating Charitable Lead Trusts to benefit charities and at the same time transfer wealth to your children or grandchildren in the future

Should you have an interest in discussing any of these ideas, please call your tax professional at Sol Schwartz & Associates, P.C., on 210-384-8000.

