AICPA PS TECH+ ASSOCIATION FOR ACCOUNTING MARKETING CONFERENCE

ATTENDEES **SAVE 20%** ON *PPC'S TAX AND BUSINESS ALERT**

PPC's Tax and Business Alert is a newsletter designed for tax and accounting professionals to stay in touch with their clients and prospects. The newsletter features articles on personal tax issues, business taxation, and financial planning. The newsletter allows the practitioner to provide valuable information without spending billable time coming up with new articles each month. Quite simply, we do all the work, but the Thomson Reuters name does not appear on the newsletter.

PPC's Tax and Business Alert can be personalized with the firm's name and logo or it can be distributed via their firm's website (monthly) or in print (monthly or quarterly). The rewards of using this newsletter are numerous:

- You provide clients and prospects timely, interesting, and helpful information targeted to individuals and business owners.
- You provide valuable information without spending billable time trying to come up with new articles and perfecting the message for your newsletter or website each month.
- You reinforce your name and image with your clients and introduce yourself to prospects.
- Each issue also includes a *Practitioner's Reference Sheet* to provide you with citations and background information, referenced to related articles, to assist in responding to inquiries from clients and prospects.

The online version uses a link placed on your firm's Internet home page. Each month the newsletter is automatically updated for the current issue by PPC. Visitors to your website click on your newsletter icon and go directly to the newsletter stored on our server, without realizing they have left your website.

Our online customers are given access to an archive containing the two prior monthly newsletters and hundreds of past articles available in Word, HTML, and PDF formats. These files can be copied and the articles emailed or mailed to clients and prospects. Applications might include blast emails which are low cost and fast.

The print version gives you a very economical way to stay in touch with your clients. For example, you can provide 250 clients with a customized newsletter 12 times a year for about 29 cents per client each month plus postage. If using the print version you can have us imprint your firm's name and logo prominently on the first page.

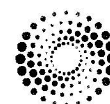
TAKE ADVANTAGE OF THIS EXCLUSIVE OFFER AND **SAVE 20%** ON NEW ORDERS **RECEIVED BY AUGUST 31, 2013.**

Call **800.431.9025, OPTION 1**, to place your order or to learn more.

Scan or visit **ppc.thomsonreuters.com/cbl** to view a sample of *PPC's Tax and Business Alert*

* Valid on new orders received by August 31, 2013.

© 2013 Thomson Reuters. PPC is a registered trademark of Thomson Reuters (Tax & Accounting) Inc. All rights reserved.
All other trademarks listed herein are the property of their respective owners.



JVGCBLN_05/13_cm

See YOUR Firm Name Here!
Also available in E-formats
Save 10% with code UEK
Details at cpa2biz.com/ClientBulletin

CPA

Client Bulletin

Smart Tax, Business & Planning Ideas *from your* Trusted Business Advisor[sm]

June 2013

Diversify 529 Accounts

Total college savings assets in 529 accounts reached $168.5 billion by the end of 2012, up 16.7% for the year, reports Financial Research Corp. (FRC), Boston. Parents increasingly use these plans to fund future college costs because of the tax advantages. Any investment earnings inside the plan are untaxed, and withdrawals also are untaxed if the money is spent on higher education.

Most 529 assets are held in so-called "age-based" accounts. Generally, these accounts emphasize stocks for young beneficiaries. As the student grows older, closer to college age, age-based plans reduce their allocation to stocks and increase holdings of bonds. This method decreases the chance of a steep loss when the 529 beneficiary goes to college and payments are due.

Action plans

Age-based 529 accounts offer benefits, especially for parents who prefer to let professionals handle the asset mix in their college fund. However, if you are willing to take a more active role, you might be able to squeeze more tax savings juice out of the 529 orange.

One way to do this is to invest in multiple 529 plans. You can choose among the plans offered by nearly every state. With each plan you choose, use a different investment strategy.

Example 1: Ron and Sarah Parker want to invest $10,000 a year in their son Kevin's college fund. They invest $6,000 a year in state A's 529 plan, putting the money into a stock fund; the Parkers also invest $4,000 a year in state B's 529 plan, using a bond fund there.

After doing this for 12 years, the Parkers have $110,000 in state A's stock fund and $60,000 in state B's bond fund. Kevin will go to college this year, and the Parkers want to take $15,000 from his 529 plans. For tax efficiency, all $15,000 should come from Kevin's state A 529 account, which has the stock market gain. That account has more growth, so taking withdrawals from that account turns paper profits into untaxed earnings used for college costs.

Example 2: Assume the same facts as example 1, except that Kevin is still too

continued on page 2

What's Inside

Diversify 529 Accounts

Maximizing Medical Deductions

Getting Started on a Succession Plan

Tax Calendar

No Longer Lost

According to Morningstar, the average domestic stock fund returned 14.5% in 2012, bringing the annualized 10-year return up to 7.9%.

See YOUR Firm Name Here!
Also available in E-formats
Save 10% with code UEK
Details at cpa2biz.com/ClientTaxLetter

CPA

Client Tax Letter

Tax Saving and Planning Strategies *from your* Trusted Business Advisor℠

April/May/June 2013

Reducing Uncertainty, Increasing Complexity

Each April, most Americans file their income tax returns for the previous year. By this time next year, in April 2014, you'll be filing your tax return for 2013—and the rules will be governed by the American Taxpayer Relief Act of 2012, the last minute deal that averted the so-called "fiscal cliff."

The good news is that large portions of this new law are permanent, or at least as permanent as any tax law can be. The major portions of the law won't "sunset," so the nation won't have to relive the uncertainty about tax law that captured headlines in December 2010 and December 2012.

In addition, many taxpayers will not face major changes under the new law. It's true that Social Security payroll taxes will rise for all workers, but that partial "holiday" was a temporary measure in effect during 2011 and 2012 to spur a slow economy. The income and estate tax benefits from earlier in this century largely remain in effect.

The catch? Taxpayers with higher incomes face a variety of higher taxes. Those taxes are imposed at different levels of income and on different types of income: adjusted gross income (AGI), modified adjusted gross income (MAGI), and taxable income. Owners of S corporations and limited liability companies (LLCs) who report business net income on their personal tax returns may be especially vulnerable to the higher rates. Similarly, taxpayers who report much higher income in a given year, perhaps because of a Roth IRA conversion or an asset sale, might have to wrestle with the higher rates and increased complexity of the new law. ■

What's Inside

Special Report on the American Taxpayer Relief Act of 2012

Reducing Uncertainty, Increasing Complexity

Restoring a Higher Tax Bracket

Lower Incomes, Higher Taxes

Estate and Gift Taxes Have Been Clarified

Breaks for Business Owners

AMT Relief, Child Tax Credit, and More