

"WE WILL PROVIDE VALUED SERVICES, PRODUCTS AND SOLUTIONS TO OUR CLIENTS – ALWAYS!"



L to R: Landon Olbricht, Kathy Hamilton, Mary Crook, Joel Olbricht, Nicole Bouchard, Frank Storniolo

Now to the November Presidential Elections...

Every time we have elections, candidates proclaim new tax policies. Tax policies are used to affect taxpayer behavior. Social, energy, and economic policies are always changed by tax incentives or increases. Just listen to the candidates and prepare yourself for the changes.

Here are the three biggest items to ponder:

1 Ordinary Income Tax Rates:

Every candidate has reviewed the rates as reduced by President Bush. One candidate wants to leave tax rates the same and another wants to increase it. The increases can come in two ways. Listen to rate discussions and the definition of high income taxpayers. You will hear discussions on whether a high income taxpayer has Adjusted Gross Income (AGI) over \$150,000 or \$250,000. The higher AGI could mean increasingly higher ordinary and capital gains income tax rates.

2 Capital Gains Tax Rates:

Currently the highest tax rate on qualifying dividend income and capital gain income is 15% (aside from the affect of the alternative minimum tax). The candidates are discussing increasing rates; some higher than others. We think there is a very good chance the current tax rate will go up.

3 The Key is...

The President and Congress will need to find revenue. Plan on higher rates – they are already talking about it. We firmly believe that there is a risk of higher tax rates in 2009 and later. Thus, if you can plan on accelerating ordinary income and especially capital gain income, you should do it! 2008 may be the year to accelerate taxable capital gains, if possible. This may require some tax planning to accelerate income.

We welcome your feedback, questions and inquiries about our services. You can reach us at info@olbrichtgroup.com We look forward to hearing from you!

www.olbrichtgroup.com

There IS such thing as a FREE LUNCH: If you know of someone who is looking for a reliable, accessible, friendly CPA firm to work with, please give them our number. If they become a client of ours, we would like to buy you lunch! You'd get a \$25 gift certificate to your choice of restaurants that we have relationships with, including: The English Muffin (Hampstead), Firehall Grill and Pub (Derry), Brookstone Restaurant (Derry) and Pleasant Street Cafe (Gloucester, MA).