

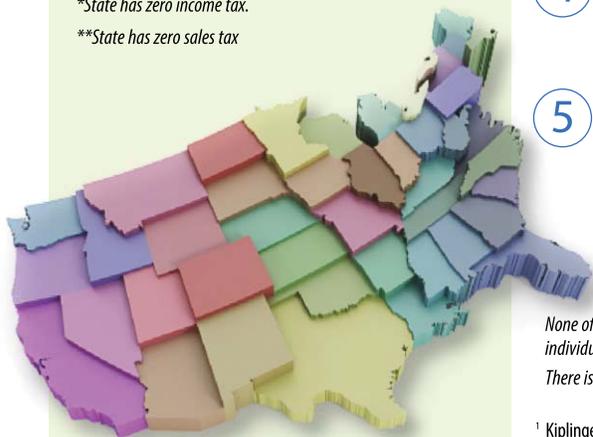
Tax-Friendly States

These 10 states have lowest income, property and sales taxes in the U.S., as of year-end 2016.

- | | |
|------------|-----------------|
| 1 Wyoming* | 6 Louisiana |
| 2 Alaska* | 7 Alabama |
| 3 Florida* | 8 South Dakota* |
| 4 Nevada* | 9 Mississippi |
| 5 Arizona | 10 Delaware** |

*State has zero income tax.

**State has zero sales tax

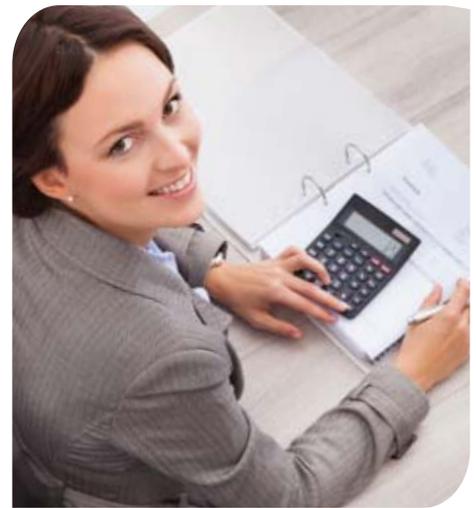


Source: Kiplinger

Tax Planning Tips That May Help Now

It might seem early to think about your taxes, but a bit of planning prior to filing is wise. Here are five tips that may help you lower your taxable income for 2017:

- 1 Contributing the maximum to your retirement plan, Traditional IRA, Health Savings Account, or Flexible Spending Account could help reduce your taxable income and push you into a lower tax bracket.¹
- 2 Charitable donations could provide tax deductions that offset income if made by December 31.¹
- 3 Consider liquidating an investment to meet a charitable commitment. It may make sense to give all or some of the asset. Typically, when donating an appreciated asset, investors can deduct the market value of the asset and avoid capital gains tax.¹
- 4 If an investment asset has lost value, consider selling it and harvesting the tax losses. Investment losses can be used to offset investment gains and up to \$3,000 of income. If losses exceed \$3,000, they may be used in a future year.²
- 5 Some municipal bonds provide federal and/or state tax-free income. However, they may offer lower yields than comparable taxable bonds, so investors must be in a relatively high tax bracket to benefit.^{3,4,5}



Before you take action to pursue any of these strategies, give us a call or speak with your tax professional to decide which may provide the greatest benefit. ■

None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes.

¹ Kiplinger. '9 Easy Ways to Save Money on Next Year's Tax Bill.' April 2016.

² IRS.gov. 'Ten Important Facts About Capital Gains and Losses.' Last reviewed November 2013.

³ Investopedia.com. 'The Basics Of Municipal Bonds.' January 12, 2017.

⁴ SIFMA. 'Types of Bonds: The Advantages of Tax Exemption.' Cited August 27, 2017.

⁵ Municipal bonds are debt securities issued by a state, municipality or county to finance its capital expenditures. Municipal bonds are exempt from federal taxes and from most state and local taxes, especially if the investor lives in the state in which the bond is issued. The municipal market can be adversely affected by tax, legislative or political changes and the financial condition of the issuers of municipal securities. Investing in municipal bonds for the purpose of generating tax-exempt income may not be appropriate for investors in all tax brackets or for all account types. Tax laws are subject to change and the preferential tax treatment of municipal bond interest income may be revoked or phased out for investors at certain income levels. You should consult your tax adviser regarding your specific situation.

Protect Your Child from Identity Theft



In 1987, the Internal Revenue Service (IRS) began requiring children to have Social Security numbers (SSNs) before they could be claimed as dependents on tax forms.⁶

It was a game-changer. Seven million children – slightly less than 10% of

claimed dependents – disappeared from tax returns, and Uncle Sam picked up almost \$3 billion in tax revenue.

Today some may be questioning the advisability of the change. Child identity theft has become a significant crime, and the most frequently stolen identifier is a child's SSN.

Parents should watch for red flags that suggest a child's identity may have been compromised:⁷

- ▶ Calls from collection agencies asking for your child
- ▶ Bills or credit card statements sent in your child's name
- ▶ Pre-approved credit card offers for a child who does not have a bank account

The FTC recommends finding out whether your child's personal data has been stolen by contacting the nationwide credit reporting companies:⁸

- ▶ Experian: 1-888-397-3742
- ▶ Transunion: childidtheft@transunion.com

The FTC also recommends that you keep a record of any letters or email sent, as well as the dates, times, and content of any calls. ■

⁶ Los Angeles Times. 'The IRS' Case of Missing Children.' December 11, 1989

⁷ Identity Theft Resource Center. 'ITRC Fact Sheet 120B: Child Identity Theft Indicators: A Guide for Parents.' Cited August 25, 2017.

⁸ FTC.gov. 'Is your child a victim of identity theft? We're serious.' Cited August 25, 2017.

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