

# TAX ASSET CLASSES<sup>SM</sup>



- Money market
- Corporate bonds
- US Treasury bonds

#### Attributes

- Annual income tax on interest
- Taxed at highest marginal rates

- Equity securities

#### Attributes

- Qualified dividends at LTCG rate
- Return of capital dividend
- Capital gain dividends

- Capital Gain Income
- Preferential Rate
- Deferral until sale

- Equity Securities

#### Attributes

- Deferral until sale
- Reduced capital gains rate
- Step-up basis at death

- Tax Exempt Interest

- Bonds issued by State and local Governmental entities

#### Attributes

- Federal tax exempt
- State tax exempt

- Pension and IRA Income

- Tax Deferred

- Pension plans
- Profit sharing plans
- Annuities

#### Attributes

- Growth during lifetime
- RMD for IRA and qualified plans
- No step-up

- Real Estate, Oil & Gas and Tax Exempt Bonds

- Tax Preferences

#### Real Estate

- Depreciation tax shield
- 1031 exchanges
- Deferral on growth until sale

#### Oil & Gas

- Large up front IDC deductions
- Depletion allowances

- Roth IRA and Insurance

- Tax Free Growth/Benefits

#### Roth IRA

- Tax-free growth during lifetime
- No 70½ RMD
- Tax-free distributions out to beneficiaries life expectancy

#### Life Insurance

- Tax-deferred growth
- Tax-exempt payout at death

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