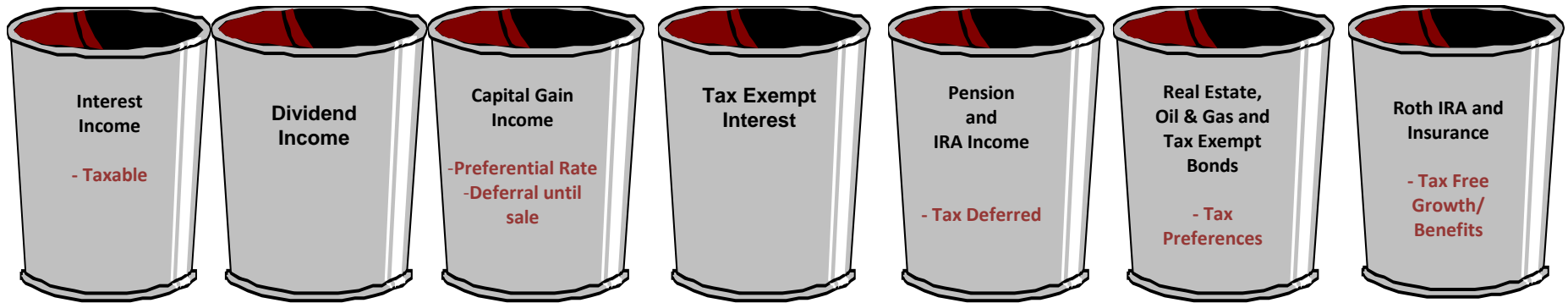


# TAX ASSET CLASSES<sup>SM</sup>



- 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

- Equity Securities

#### Attributes

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

- Bonds issued by State and local Governmental entities

#### Attributes

- Federal tax exempt
- State tax exempt

- Pension plans
- Profit sharing plans
- Annuities

#### Attributes

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

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

#### Oil & Gas

- Large up front IDC deductions
- Depletion allowances

#### 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

Pursuant to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, nothing contained in this communication was intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose. No one, without our express prior written permission, may use or refer to any tax advice in this communication in promoting, marketing, or recommending a partnership or other entity, investment plan or arrangement to any other party.

For discussion purposes only. This work is intended to provide general information about the tax and other laws applicable to retirement benefits. The author, his firm or anyone forwarding or reproducing this work shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to be caused, directly or indirectly by the information contained in this work. This work does not represent tax, accounting, or legal advice. The individual taxpayer is advised to and should rely on their own advisors.

<sup>SM</sup> Tax Asset Classes is a service mark of Keebler Tax & Wealth Education

©2012 Keebler Tax & Wealth Education

All Rights Reserved.