

2021 · AS A HIGH-INCOME TAXPAYER, HOW MIGHT PRESIDENT BIDEN'S TAX PLAN AFFECT ME?

INCOME-RELATED ISSUES	YES	NO
<p>Do you earn wages in excess of \$400,000? If so, consider the following:</p> <ul style="list-style-type: none"> Under current law, wages up to the taxable maximum (\$142,800 in 2021) are subject to Social Security payroll tax. This tax is 12.4% total, typically split evenly by you and your employer. Under Biden's tax plan, the taxable maximum would remain in place; however, when wages exceed \$400,000, they would again become subject to Social Security payroll tax. This creates a "donut hole" in the payroll tax scheme (wages between the taxable maximum and \$400,000 would not be subject to Social Security payroll tax). 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Does your household income exceed \$400,000? If so, Biden's tax plan could affect you in the following ways:</p> <ul style="list-style-type: none"> You would be in a new tax bracket, with increased rates. The top rate would revert to the pre-TCJA rate of 39.6%. You would no longer be eligible for a 1031 exchange. If you itemize, your deductions would be capped at 28% of their value. Further, the Pease limitation (repealed by the TCJA) would be reinstated, capping certain itemized deductions (e.g., mortgage interest, state and local taxes, charitable contributions, etc.). If you are a pass-through business owner, the QBI deduction would be phased out. 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Does your household income exceed \$1,000,000? If so, consider the following:</p> <ul style="list-style-type: none"> Under current law, long-term capital gains and qualified dividends are taxed at preferential capital gains rates. At your income level, this rate is 20%. Under Biden's tax plan, long-term capital gains and qualified dividends would be taxed at ordinary income tax rates. 	<input type="checkbox"/>	<input type="checkbox"/>

MISCELLANEOUS ISSUES	YES	NO
<p>Are you an informal caregiver for an individual in need of long-term care services? If so, under Biden's tax plan, you could be eligible for a new caregiver credit of up to \$5,000.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you make pre-tax contributions to traditional retirement accounts (e.g., a 401(k) or IRA)? If so, consider the following:</p> <ul style="list-style-type: none"> Under current law, your contributions are deductible, dollar for dollar, up to your annual limit. Under Biden's tax plan, you would instead receive a flat credit for contributions, capped at a rate of 26%. 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you hold appreciated assets with a low cost basis (excluding pre-tax assets such as IRAs, most annuities, and other items of income in respect of a decedent)? If so, consider the following:</p> <ul style="list-style-type: none"> Under current law, if you hold the assets until your death, they will receive a step-up in basis to the FMV on your date of death. This effectively eliminates the unrecognized capital gains. Under Biden's tax plan, the step-up in basis would be eliminated. This could result in your heirs taking carryover basis, or a recognition event at death. 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Does the value of your estate exceed \$3.5 million (or \$7 million, if you are married)? If so, consider the following:</p> <ul style="list-style-type: none"> Under current law, the federal estate and gift tax exemption amount is \$11.7 million per person (\$23.4 million for a married couple). This amount can pass federal estate tax-free at your death, reduced by any lifetime use of your exemption. Under Biden's tax plan, this exemption amount would be reduced. The new exemption could be as low as \$3.5 million per person, or revert to the pre-TCJA amount of \$5 million per person (indexed for inflation). In addition, Biden's tax plan would increase the federal estate and gift tax rate from 40% to 45%. (continue on next page) 	<input type="checkbox"/>	<input type="checkbox"/>

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MISCELLANEOUS ISSUES (CONTINUED)	YES	NO
Are you a small business owner? If so, Biden's tax plan would offer credits for adopting workplace retirement savings plans.	<input type="checkbox"/>	<input type="checkbox"/>
Do you have significant corporate ownership interests? If so, Biden's tax plan could affect corporations in the following ways: <ul style="list-style-type: none"> ■ The federal corporate tax rate would increase from 21% to 28%. ■ A 15% minimum tax would apply to corporations with book income of \$100 million or more. ■ If the corporation sends manufacturing and service jobs to foreign nations in order to market goods or services domestically, a 10% surtax would apply. ■ The global intangible low-taxed income rate would double, and it would apply on a country-by-country basis. ■ A new "Made in America" tax credit of 10% would be available for qualifying expenses. 	<input type="checkbox"/>	<input type="checkbox"/>

EXECUTIVE SUMMARY: WHY US?



Our personal touch and commitment to our clients change lives. We consider financial planning a “calling” and so we dedicate ourselves to each and every client in a way that is unusual in today’s fast-paced world. We have an experienced team serving a limited number of families so that we can provide a great client experience and the attention you deserve.

We are an award-winning firm affiliated with Carson Wealth Partners, a recognized national firm, but we have a local presence in your backyard, as well.

Our tax and legal background allows us to handle whatever you throw our way, no matter how big or small, how simple or complex. We will figure it out and get the job done!

Securities offered through Cetera Advisor Networks LLC, Member FINRA/SIPC. Investment advisory services offered through CWM, LLC an SEC Registered Investment Advisor. Cetera Advisor Networks LLC is under separate ownership from any other named entity. For a comprehensive review of your personal situation, always consult your tax or legal advisor. Neither Cetera Advisor Networks LLC nor any of its representatives may give tax or legal advice.

Debra Taylor CPA/PFS, JD, CDFP, Founder and Lead Wealth Advisor

795 Franklin Avenue Bldg. C, Suite 202 Franklin Lakes, NJ 07417

dtaylor@taylorfinancialgroup.com | 201-891-1130 | www.taylorfinancialgroup.com