



**MEMO**  
**YEAR-END TAX PLANNING**  
**(November 2011)**

With the end of the year fast approaching, we would like to remind you that this is a good time to start your year-end tax planning. Here are a few year-end tax planning considerations for your review:

1. **Estate planning** - Please make sure that your will and trust documents are current, and that you have considered the increased lifetime estate and gift tax exemptions. For more detail regarding estate planning and the increased estate and gift tax exemptions, please see our memo - [http://www.fbco.com/Estate planning](http://www.fbco.com/Estate_planning) and [http://www.fbco.com/Bush-era Tax Cuts Extended](http://www.fbco.com/Bush-era_Tax_Cuts_Extended).

Also note that to avoid a lengthy probate, all assets you own should be in the name of the trust. These assets include investments in partnerships, LLCs, and S corporations, deeds to real estate owned, insurance policies, retirement savings, and all bank and brokerage accounts. Your trust lawyer or our office can be of assistance to ascertain that this is properly taken care of. Further, please make sure that you have filled out a beneficiary designation form. A blank form is provided here - [http://www.fbco.com/Beneficiary designation form](http://www.fbco.com/Beneficiary_designation_form).

2. **Household employees** – All household employees should have payroll taxes withheld from their wages earned, and the employers must remit taxes withheld and file required quarterly and annual federal and state payroll tax returns. In addition, household employees must be covered by workers' compensation insurance as it is required under the California Labor Code that all California employers, with one or more employees, must provide workers' compensation benefits to their employees.
3. **Mortgage loans** – With interest rates at their 50-year low, this might be a good time to consider refinancing, paying down, or retiring your mortgage loans if the rate you are earning on your fixed income is less than the rate you are paying on your mortgage loans. We can be of assistance in making referrals to well-qualified mortgage brokers if needed.
4. **Property tax appeal** – In light of diminished property values (residential and commercial), it is worthwhile to consider filing an appeal with the Assessment Appeals Board to lower your property taxes. The 2011-12 annual filing period is July 2 through November 30, 2011. We can recommend a knowledgeable consultant to assist you with the appeal. Please note that there is no charge to file an assessment appeal. However, if successfully contested, you might be charged a percentage of the first year savings.

More year-end tax planning suggestions can be found in our October and November client bulletins - [http://www.fbco.com/October bulletin](http://www.fbco.com/October_bulletin) and [http://www.fbco.com/November bulletin](http://www.fbco.com/November_bulletin). In addition, we have a comprehensive 2011 year-end tax planning guide on our website to further provide you with tax planning information [http://www.fbco.com/2011 tax planning guide](http://www.fbco.com/2011_tax_planning_guide).

**We encourage you to contact us for a year-end tax planning appointment sooner than later as many of the tax planning considerations are time sensitive. Start planning early helps to maximize available tax benefits.** You may view a copy of this and other FBD tax related memos on our website under PUBLICATIONS/Client memos - [http://www.fbco.com/publications/Client memos](http://www.fbco.com/publications/Client_memos).

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