

2011 Year-End Planning

LEGG MASON
INVESTMENT
COUNSEL

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Ellen B. Hennessey, Esq.
Tax Specialist

Tax year 2011 is coming to a close, but there are still numerous opportunities for estate and tax planning. Here are some actions you can take **before December 31st**:

- Make annual exclusion gifts of \$13,000 per person
- Make larger gifts taking advantage of the current gift tax exclusion of \$5,000,000 which is scheduled to expire at the end of 2012 - the gift will remove future appreciation of the asset from your estate and possibly shift income to an individual in a lower tax bracket
- Things to do if you itemize deductions:
 - Make charitable donations
 - Pay real property taxes
 - Pay medical bills and purchase high cost items such as glasses and hearing aids
 - Pre-pay state and local income taxes
 - Take advantage of the 2% miscellaneous deductions such as unreimbursed employee expenses which include dues, subscriptions, travel, education, insurance, entertainment and gifts
- Make a charitable gift of up to \$100,000 from your IRA- you won't have to declare as income the amount withdrawn and given to charity (this law is scheduled to expire at the end of this year)
- Generate capital losses to off-set capital gains
- Delay the collection of taxable money until 2012, if possible
- Make deductible contributions to an individual retirement account
- Purchase or install energy efficient products in your residence to receive a tax credit

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