



March 2, 2018

Board Members and General Members
Stark County Medical Society

Dear Stark County Medical Society Members,

Thanks again for the opportunity to sponsor your board meeting and present Session 1 of my Financial Fitness for Physicians Seminar on March 1, 2018. A summary of this presentation is provided below.

Tax Efficient Investing for Creating Wealth – Presented by Jeffrey Eisenberg, SecuraWealth Investment Strategies

- Maximize contributions to tax-deferred accounts first (e.g. IRA's, 401(k), pension plans, HSA, etc.).
- Consider the tax efficient advantages of owning individual stocks to more easily manage your tax situation, such as your ability to decide when to recognize a gain or loss, and dividend predictability.
- Consider Qualified Charitable Distributions if you are over age 70 ½ and donate to charities.
- Make sure investments are placed in the correct account type to minimize taxes and maximize tax-deferred growth.
- Look to invest in areas of the market that may benefit from tax reform and/or repatriation of cash. Talk to your financial advisor for specific recommendations.
- Review your investment portfolio, your fees and your financial plan regularly.
- Be flexible. You may be missing out on some opportunities. It never hurts to get a second opinion.
- Feel free to contact me with any additional questions or to schedule a complementary portfolio review.

2018 Tax Law Changes – Presented by Keith Arner and Sandy Orcutt, Hall Kistler & Company LLP

- Individual Tax Rates for 2018 for Single and Joint
- Standard Deduction for 2018 Single \$12,000 / Joint \$24,000
- Personal Exemptions for 2018 are eliminated
- Capital Gains: 15% rate Single \$38,600 / Joint \$77,200 and 20% rate Single \$425,800 / Joint \$479,000
- 2018 Itemized Deductions
 - Home Mortgage Interest: Allows interest deduction on \$750,000 acquisition debt
 - Line of Credit allowable only if used for home use (not vacation)
 - State and Local Income Tax Deduction: Capped at \$10,000 (no foreign property taxes)
 - Medical Expense Deduction: 7.5% of AGI regardless of age
 - Charitable Contributions: Continues to allow but increases to 60% of AGI
 - Personal Casualty & Theft Losses: Suspends except for disasters declared by U.S. President
 - Miscellaneous: Suspended (cannot deduct employee unreimbursed business expense, tax preparation fees, investment expenses, and certain casualty losses)
 - Phase Out of Itemized Deductions: This is suspended through 2025
 - Entertainment Expenses: No deduction is allowed
 - Meals: 50% deductible

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2018 Tax Law Changes – Presented by Keith Arner and Sandy Orcutt, Hall Kistler & Company LLP (continued)

- 2018 Adjustments to Income:
 - Moving Deduction and Reimbursements: Not allowed except for military change of station. Employer reimbursement included as taxable wages.
 - Alimony: No longer deductible by payer and not reported as income by recipient
- 2018 Credits
 - Education: Retained. 529 Plans amended to allow tax-free distribution up to \$10,000 per year for grammar and high school education tuition and expenses
 - Child Tax Credit: Under age 17, \$2,000 tax credit (\$1,400 refundable) per child. Phase out if AGI over \$200,000 for single and \$400,000 Joint
- Home Sale Exclusion: Exclude \$250,000 Single and \$500,000 Joint if taxpayer owns and uses home as principal residence 2 out of 5 years prior to it's sale.
- 2018 Retirement: Roth Conversion Recharacterizations repealed
- Annual Gift Tax Exclusion: \$15,000 Single / \$30,000 Joint
- Estate Exclusion Amount: \$11.2 million Single / \$22.4 million Joint (tax rate remains 40%)
- Net Operating Loss Deduction: 2-year carryback provision repealed. NOL deduction limited to 80% of taxable income.
- Affordable Care Act (health insurance): Repealed effective 2019.
- Alternative Minimum Tax: New thresholds – exemption amounts \$70,300 Single/ \$109,500 Joint and new exemption phase out amounts \$500,000 Single / \$1.0 million Joint
- Ohio Business Deduction: First \$250,000 business income 100% deduction, business income over \$250,000 taxed at flat 3%
- Ohio Direct and Indirect Ownership: Rules defined in determining business income and guaranteed payments.
- Ohio Compensation and Guaranteed Payments: Compensation to less than 20% owner non-business income
- Ohio Sale of Ownership Interest: Non business income
- Ohio 529: Can deduct \$4,000 per beneficiary and carry forward indefinitely
- Federal businesses tax rate flat 21%
- Federal fixed assets increased to \$1.0 million expensing and \$2.5 million investment threshold limits
- Pass Through Deduction 20% for all taxpayers other than a corporation – threshold \$157,500 Single / \$315,000 Joint

If anyone has any additional questions, please feel free to contact me at (330) 605-2564 regarding any investment related questions, and Keith Arner at (330) 639-2626 or Sandy Orcutt at (330) 453-7633 regarding any tax related questions.

Kind Regards,

Jeffrey Eisenberg, President & CEO

