

Tax Law Changes, cont. from page 1

As we go to press in mid-December it appears that none of the major changes listed above will be put in place in the near future. Whew! Jon and I will have time in December to celebrate the holidays after all.

So, where does that leave us?



We may still see significant tax law changes in 2022. We need to keep monitoring the situation.

Hopefully we'll have time to consider options and make appropriate changes without a looming deadline mandating big changes in a short time period.

However, there is already an important deadline for tax planning on the books. The Tax Cuts and Jobs

Act of 2017 provides that on January 1, 2026, the estate tax and gift tax exemptions from the federal tax will be cut in half. Thus, in round numbers, individual taxpayers with estates of \$6 million or more or couples with estates of \$12 million or more will be subject to the estate or gift tax. (Only 40% of the amount over the exemption!)

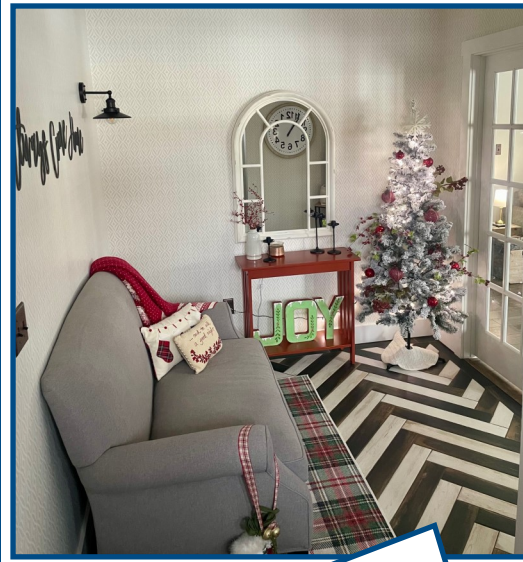
For people whose estates would be affected, there are strategies that we can employ to minimize taxes, but we can't wait till the last minute to put them in place. Would it make sense to make lifetime gifts, either outright to family members or in trust, to minimize the estate tax? If we make gifts, can we structure them so as to take advantage of the valuation discounts on transfers of assets? Should we sell assets either to family members or to trusts for their benefit? These are just a few of the questions to consider.

So, yes, relax and take a deep breath. We have time to plan. But, even if nothing new comes down the pike in the next few years, we can't afford to take our eyes off the ball.

FIRM PHOTO ALBUM 2021 Christmas Party



FIRM NEWS



Jon and Rhonda celebrated an exciting holiday! Their daughter Meagan and son-in-law Calob were home, as was their son Ryan who lives in San Diego. They spent plenty of time with family and friends and hosted the firm Christmas party.



After a quiet Thanksgiving at home in Alabama, the Squires' headed slightly North to Arkansas and Missouri. First stop was Arkansas, for Christmas with Caleb's Nan, then to Missouri for more Christmas with both Caleb's family and Charlene's family. Their trusty companions, Argo and Agnes were in tow, and of course Theo led the way!

Lauren and Josh got married on a beautiful fall day in October. In November, they spent a weekend in Wisconsin and watched the Packers beat the Seahawks at Lambeau Field. They are looking forward to some snow for ski season.

Christmas at the Crosslands brought a visit from the Portland crew. Chris called it joyous chaos!! The new year will bring continued work on the horses. Jazz will be ready to start under saddle soon and is going to make a perfect horse for someone. Colonel Buck is a sassy colt and full of bling. He has some spunk, but a gentle nature. Raising horses to sell is a hard job. They keep reminding themselves they can't keep them. Happy New Year to you all!



Keith is on the way to setting a firm record for travel since August: the south of France, DC, and Sedona with Becky, Cape Cod with Becky and Hannah, and Atlanta with Jon. It's made him really appreciate the rest of team. (And made him wonder if he's as indispensable as he's thought he is!)



The Howells celebrated Brock's promotion and bought a house!



There were a lot of firsts for Tressia this holiday season. Her firsts snow, her first holiday photographs and the first time she sent Christmas cards of her with her family, Matt and her two cats.



CONNECTION

2022 WORD OF THE YEAR

At Scott, Tokerud & McCarty, we believe that connection is the root of our strength as a team and as advisors. This year we will re-focus on connecting with each other, our clients, our professional contacts, our families, our friends and our community.

If you are looking to re-connect too, here are some places to start:

- ◆ Call your mom (or your dad) just to chat.
- ◆ Take the extra time to ask your clients how things are going in their lives.
- ◆ Ask a colleague out for coffee.

BENEFICIARIES FOR VEHICLES

As many of you may already know, the State of Montana recently passed legislation allowing you to add a beneficiary to your Montana vehicle titles.

Adding a beneficiary to your vehicle will allow the vehicle to pass directly to your chosen beneficiary while allowing you to hold ownership during your lifetime.

Beneficiaries can be added to your vehicle title by completing Form MV13 (Beneficiary Designation For Vehicle or Vessel Title), Form MV7 (Application for Replacement Certificate of Title) and paying a small fee.



Contact our Funding Team to Learn More!

Connection:

The energy that exists between people when they feel seen, heard, and valued; when they can give and receive without judgment; and when they derive sustenance and strength from the relationship.

Brené Brown

THE LEGACY INSIDER



MEALS ON WHEELS

We are proud to announce our 2022 Charity Partner of the Year, Meals on Wheels!

Meals on Wheels delivers hot meals five days per week to seniors in Great Falls. The program strives to reduce hunger and food insecurity while promoting health and well-being.

As you know, we aim to choose a charity partner who is local and whose values align with our own. Meals on Wheels fosters connection, something we

believe strongly in. More than a meal delivery service, Meals on Wheels drivers have an opportunity to connect with members of our community who may not have many opportunities to see and converse with others.

We look forward to dedicating time this year to promoting the mission of Meals on Wheels, to preparing meals and to connecting with Great Falls seniors. We hope to see you out there too!

TAX LAW CHANGES

Written by: Keith Tokerud

For the last year and a half Jon and I have been attentively following developments in Washington, DC, concerning possible tax law changes. Many far-reaching changes to the estate and gift tax as well as income tax were threatened. Reducing the exemption from estate tax from \$11.7 million per person to \$3.5 million. Reducing the gift tax exemption to \$1 million. Eliminating the step-up in basis for inherited assets, and eliminating discounts for minority interests in entities being transferred to other family members. Raising the capital gains tax rate and the ordinary income tax rate. And many more.

We didn't know which changes would be made and, if so, when they would be effective. Most recently it appeared that many changes could be effective as of January 1, 2022. Besides informing our clients of the proposals, we've been busy meeting with clients who wanted to explore possibilities to minimize the effect of the proposed changes on their estates.



In the last few months, though, the proposals being bandied about Washington contained fewer and fewer major tax law changes. *Cont. on page 2*