

# ***The “Daily Plan-It™”***

*SHUMATE BROKERAGE CORP.*

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## **We Buried The Lead!**

One of the maxims in journalism is “never bury the lead,” which means, put the most important point of your article at the beginning. This is always a challenge for us for a variety of reasons, but based on the questions and feedback we received for the August 21, Volume 10, Issue 17 article called Tax Proposals of the Presidential Candidates, we buried the lead. We humbly apologize. We will try again; here is the lead:

## **The Estate Tax Is Here To Stay!**

Both presidential candidates are behind keeping the estate tax; neither supports its repeal.

### Senator Obama

Senator Obama is proposing a \$3.5 Million Exemption and a 45% Estate Tax Rate. His position is basically the Democratic Party’s position on this issue.

### Senator McCain

Senator McCain is proposing a \$5 Million Exemption and a 15% Estate Tax Rate. This is more generous than his opponent’s plan, but it’s obviously not a repeal.

## **What Does This Mean?**

Like everything involving politics, this is only conjecture until it becomes law. For the sake of discussion, let’s make some assumptions. First, one of these two presidential candidates wins (safe assumption). Second, the first item on the new President’s agenda is the repeal of the Estate Tax (not so safe of an assumption, as it will probably not be an issue until 2010). Third, Congress passes the new President’s tax position. Now all of these assumptions may get us in trouble, so the only conclusion we can truly reach is that there *will* be an Estate Tax.

## **What does this mean to us?**

Certainty. Well, maybe not certainty, but at the very least it means some direction. We need to be educating our clients that the Estate Tax repeal is probably not going to happen. If they are waiting to see what the law will look like, both candidates have provided their direction. The question is what can be done now to take advantage of the current law.

## **It’s Not Law (We Know)**

We realize that it’s not law, but it is a prediction of what may become law. This is the reason we “accidentally” buried the lead. The candidates are clear, but the future is not. Therefore, the only conclusion we can reach is that if either becomes President, the Estate Tax in some form will be with us beyond 2010. Both candidates are already telling us their positions; the only question is how do we help our clients to act now?

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