

Christopher Wilcox
McCormick Klessig & Associates
PO Box 66
522 Clermont St.
Antigo, WI 54409

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MESSAGES from the Masters

THE SEVEN C's OF SUCCESS by Brian Tracy

After having studied top achievers and peak performers over the past 25 years, I've concluded that these unique men and women have, in most cases, mastered what I call the Seven C's of Success.

Clarity - Eighty percent of success comes from being clear on who you are, what you believe in and what you want.

Competence - You can't climb to the next rung on the ladder until you are excellent at what you do now.

Constraints - Eighty percent of all obstacles to success come from within. Find out what is constraining in you or your company and deal with it.

Concentration - The ability to focus on one thing single-mindedly and see it through until it's done takes more character than anything else.

Creativity - Flood your life with ideas from many sources. Creativity needs to be exercised like a muscle; if you don't use it, you'll lose it.

Courage - Most in demand and least in supply, courage is the willingness to do the things you know are right

Continuous learning - Read, at the very least, one book a week on business to keep you miles ahead of the competition. And just as you eat and bathe, organize your time so you spend 30 minutes a day exploring e-mail, sending messages, going through web sites, because like exercise, it's the only way you can keep on top of technology. If you get away from it, you'll lose your edge.

QUOTES from the Masters...On Goals

"Only when your memories are more important to you than your goals are you old." -- **Nido Qubein**

"Goals in writing are dreams with deadlines." -- **Brian Tracy**

"We all need lots of powerful long-range goals to help us past the short-term obstacles." -- **Jim Rohn**



Christopher Wilcox
PO Box 66
522 Clermont St.
Antigo, WI 54409
Office: (715) 627-4302
cwilcox@mccormickklessig.com
www.mccormickklessig.com

Quest Capital Strategies 25231 Paseo de Alicia, Suite 110
Laguna Hills, CA 92653-4615 (800) 527-9989 Member
FINRA and SIPC

About Our Firm...

McCormick-Klessig & Assoc., Ltd. provides individuals, families, small and medium sized businesses with complete coverage of personal and business risks in all product lines: Commercial Personal Life Accidental and Health (including group products).



Individual Income Tax Reductions

**Today's topic is the reduction in individual income taxes.
If you would like additional information on this topic, please call my office.**

The 2003 Tax Act (Jobs and Growth Tax Relief Reconciliation Act of 2003 - JGTRRA) was signed into law by President Bush on May 28, 2003, followed more recently by the Working Families Tax Relief Act of 2004 (WFTRA), which was signed into law on October 4, 2004.

As is typical of recent tax legislation, the 2003 and 2004 Tax Acts offered tax relief to individuals, but did so through a variety of complex provisions that included retroactive, temporary and phased-in/phased-out effective dates. While some of these provisions may not apply to you, other provisions will and you may want to revise your planning to take full benefit of those provisions.

Accelerated Reduction in Income Tax Rates

The reductions in income tax rates in excess of 15% scheduled for 2004 and 2006 were accelerated to 2003, **resulting in new rates of 25%, 28%, 33% and 35%** (from 27%, 30%, 35% and 38.6%). These reductions were retroactive to January 1, 2003, and are **scheduled to remain in effect through 2010**, at which time they are subject to the sunset provision of the Economic Growth Tax Relief Reconciliation Act of 2001, under which income tax rates revert to 15%, 28%, 31%, 36% and 39.6% after 2010.

Tax Years	Lowest Bracket	2nd Bracket	3rd Bracket	4th Bracket	5th Bracket	Highest Bracket
2003 - 2010	10%	15%	25%	28%	33%	35%
2011 and later	No 10% bracket	15%	28%	31%	36%	39.6%

NOTE: Consider using tax savings to fund an IRA, 401(k) or other tax-favored retirement plan.

Accelerated 10% Tax Bracket Expansion

The expansion of the 10% bracket scheduled for 2008 was accelerated by the 2003 Tax Act to apply in 2003 and 2004. The threshold for the 10% bracket increased from \$12,000 of taxable income to \$14,000 for married couples and from \$6,000 to \$7,000 for single taxpayers. The old, lower thresholds were scheduled to reappear in 2005. Thanks to WFTRA, however, **the higher 10% tax bracket thresholds have been extended through 2010**. If the provisions of the Economic Growth Tax Relief Reconciliation Act of 2001 sunset at the end of 2010, the 10% bracket will disappear and the lowest tax rate will be 15%.

Prior to the 2003 Tax Act, tax bracket amounts, other than the 10% bracket, were adjusted annually for inflation. The 10% bracket is now also adjusted for inflation.

	2003 - 2010	2011 and later
Married Couples	\$14,000	No 10% bracket
Single Taxpayers	\$7,000	No 10% bracket

NOTE: Regardless of your personal income tax bracket, the continued expansion of the 10% tax bracket will benefit you since taxpayers also share in rate cuts in brackets lower than their own. For married couples, at least an additional \$2,000 will be taxed at 10% rather than the next higher 15%, resulting in a \$100 tax savings. Single taxpayers receive at least \$50 in tax savings from the additional \$1,000 taxed at 10% instead of 15%. Both figures are adjusted annually for inflation.

The purpose of this newsletter is to provide information of general interest to our clients, potential clients and other professionals. The information provided is general in nature and should not be considered complete information on any product or concept described. For more complete information, please contact me (Office: (715) 627-4302).