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MESSAGES from the Masters

PLANNING YOUR TIME by Tom Hopkins

Make it a firm habit to sit down for a few minutes every evening to plan what you must do tomorrow. List them in the order of importance. This is the one and only system many highly successful people use.

To get yourself organized, list all the things you can do and learn to make yourself more effective. Work out a schedule that will get them done or learned in the shortest possible time.

When you start making lists the night before, your subconscious mind will work on your list all night without disturbing your sleep to help you solve your problems and achieve your goals. Your subconscious, however, can't help unless you tune it in to what's going to happen next.

Give this process several days to start flowing. Go over your list in a quiet room. See yourself involved with the most difficult part of each thing on your list.

Make the sessions brief and upbeat. See yourself happily enjoying the fact that you've successfully accomplished each of your goals for tomorrow.

Don't concentrate on fear and dread of what you have to do. If you do that, your subconscious may figure out ways to make you forget or otherwise avoid meeting what is seen as painful experiences.

QUOTES from the Masters...On Focus

"The weakest living creature, by concentrating his powers on a single object, can accomplish something; whereas the strongest, by dispersing his over many, may fail to accomplish anything." -- **Thomas Carlyle**

"Give whatever you are doing and whoever you are with the gift of attention." -- **Jim Rohn**

"Devote uninterrupted chunks of time to the most important people in your life." -- **Brian Tracy**

"Our grand business is not to see what lies dimly at a distance, but to do what lies clearly at hand." -- **Thomas Carlyle**



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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).



Alternative Minimum Tax Relief

**Today's topic is alternative minimum tax relief.
If you would like additional information on this topic, please call my office.**

The alternative minimum tax (AMT) was originally implemented almost 40 years ago to ensure that wealthy taxpayers pay some income tax.

The **objective of the alternative minimum tax (AMT)** is to ensure that taxpayers with itemized deductions and/or income from certain tax preferences will not avoid or defer all tax liability, but instead will pay a minimum tax. The AMT applies if certain tax benefits, when added back to income, result in an AMT tax that exceeds the regular income tax.

The **alternative minimum tax rate** is:

- 26% on the first \$175,000 (\$87,500 married filing separately) of AMT income, after the AMT exemption; and
- 28% on AMT income over \$175,000 (\$87,500 married filing separately).

Alternative Minimum Tax Relief

While each taxpayer receives an **AMT exemption**, increasing numbers of middle-income taxpayers are being hit with the AMT, the provisions of which are not indexed for inflation.

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) provided only minimal AMT relief by modestly increasing the AMT exemption for 2001 - 2004. While the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) again increased the AMT exemption, but only for 2003 - 2004, the Working Families Tax Relief Act of 2004 (WFTRA) extended the increased AMT exemption through 2005. The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) again extended and also increased the AMT exemption, but only for the 2006 tax year. Legislation passed at the end of 2007 again extended and increased the AMT exemption, but only for the 2007 tax year. **It is unknown if Congress will again extend an increased AMT exemption for the 2008 tax year.**

The AMT exemption is based on filing status and is reduced by 25 cents for each \$1 of income subject to AMT that exceeds specified amounts:

Filing Status	AMT Exemption Amount			Reduced by 25% of AMT Income Over:	Eliminated if AMT Income Exceeds:
	2006	2007	2008 and later		
Married filing jointly and qualifying widow(er)	\$62,550	\$66,250	\$45,000	\$150,000	\$330,000
Single and head of household	\$42,500	\$44,350	\$33,750	\$112,500	\$247,500
Married filing separately	\$31,275	\$33,125	\$22,500	\$75,000	\$165,000

- NOTES:**
- (1) Unfortunately, there are no specific tests to indicate AMT liability. If you claim itemized deductions and/or certain tax preference items, you must first figure your regular income tax and then calculate AMT. If AMT exceeds your regular tax, your tax liability is increased by the difference.
 - (2) According to projections, unless a future Congress takes action to reform the AMT, millions more taxpayers will become subject to the alternative minimum tax in its current form.

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 my office at Office: (715) 627-4302.