Proposed Tax Law Changes

June 2019

“The government is every CPA firm’s Research and Development department” – Roger Conlon, Senior Lecturer at University of Minnesota Carlson School of Management[1]

Our federal government is at it again with proposed tax law changes. The House recently passed legislation that many people think has a good chance of becoming law. These changes could affect financial planning strategies.

With uncertainty given in Washington, we have to view these potential changes while wearing our probability glasses. It’s with these glasses on that we think these changes have a good chance of becoming law. Thus, we feel it is important for you to be aware. From a high level prospective, here are some of the potential changes:

- Starting age for required minimum distributions from retirement saving plans to begin at age 72 instead of age 70 ½
- Education Savings plans (i.e. 529 plans) being available to cover registered apprenticeships, homeschooling, student loan repayments (currently ineligible expenses)
- At the death of an IRA owner with no surviving spouse, the account must be paid out by tenth calendar year following the owner’s death (currently paid out over life expectancy of beneficiary).

No action is needed on your part regarding these changes. However, as we continue to speak with you regarding your particular situation, we may recommend small changes. Your planning should adapt as the rules of the game change!

Interesting quick read

In spirit of keeping these newsletters brief, I won’t go into details but will point you to an article I believe you will find interesting. The theme is around behavioral tricks our minds want to play. I wonder how many other topics this analogy could apply to (i.e. investments)? Drop us a line if you have any comments to share with us. Hope you enjoy it!

Matt Miler, CPA, CFP®

[1] Roger was a Deloitte tax partner where I began my career in 2002. He finds it amazing I still remember his quote. However, he says “It’s true!”.

Scott D. Grittinger, CFP®
Matthew T. Miler, CPA, CFP®
Jacqueline A. Schneider, CFP®
Amy L. Finley, CFP®
Alicia A. Nordwig, CFP® AAMS®
Maggie Mayer
Jacob Hornak

McCarthy Grittinger Financial Group One Honey Creek Corporate Center 125 S. 84th Street Suite 130 Milwaukee, WI 53214 414-475-1369 www.mgfin.com