

Income Tax Diagnostic

CLIENT SUITABILITY

- Individuals or couples ages 20 to 100
- People paying unnecessary taxes on their income

HYPOTHETICAL RESULT

Clients should enhance their cash flow by receiving more income from sources on the top of the list and less from the bottom of the list:

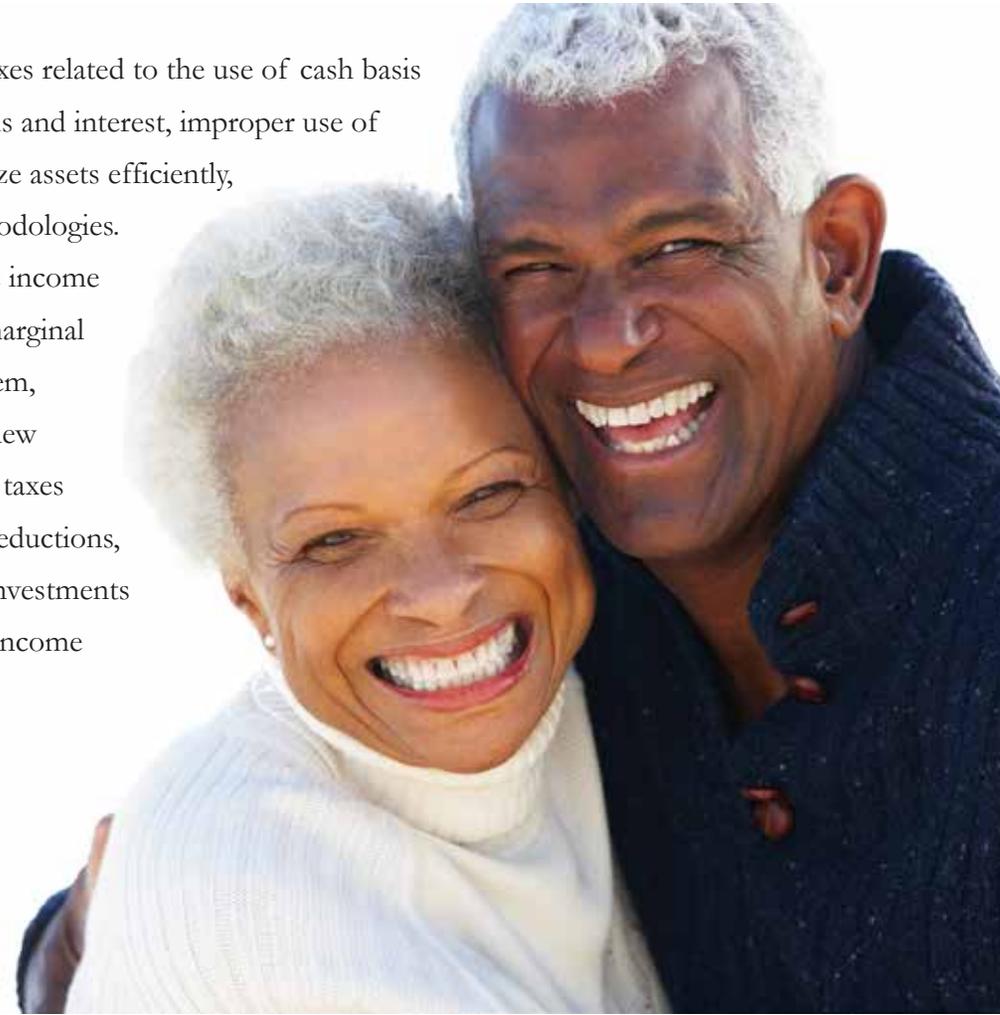
1. Cash from Tax Deductions
2. Tax-Free Insurance Income
3. Roth IRAs
4. Tax-Exempt Bonds
5. RE/O&G Income
6. Pension/ IRA Income
7. Tax-Exempt Interest
8. Capital Gain Income
9. Dividend Income
10. Interest Income

OBJECTIVE: To compare current and proposed lifetime cash flow projections after illustrating more tax-efficient proposed numbers.

Thomas and Virginia Smith were frustrated that they had so much income taxed at high marginal federal and state tax rates. They were also concerned that they were not taking full advantage of income tax deductions, exemptions, and credits. They provided their 1040 income tax return as well as business tax returns to their wealth planner.

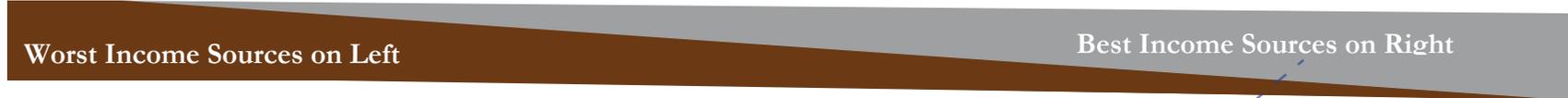
The wealth planner spotted unnecessary taxes related to the use of cash basis accounting, receipt of unqualified dividends and interest, improper use of deduction carry forwards, failure to amortize assets efficiently, and poor use of effective accounting methodologies.

The planner saw that the receipt of taxable income was forcing the Smiths into much higher marginal rates than necessary. To resolve this problem, the planner recommended a diagnostic review of the tax returns to calculate how income taxes could be lowered by generating more tax deductions, receiving less ordinary income, and using investments that produce tax-deferred and/or tax-free income

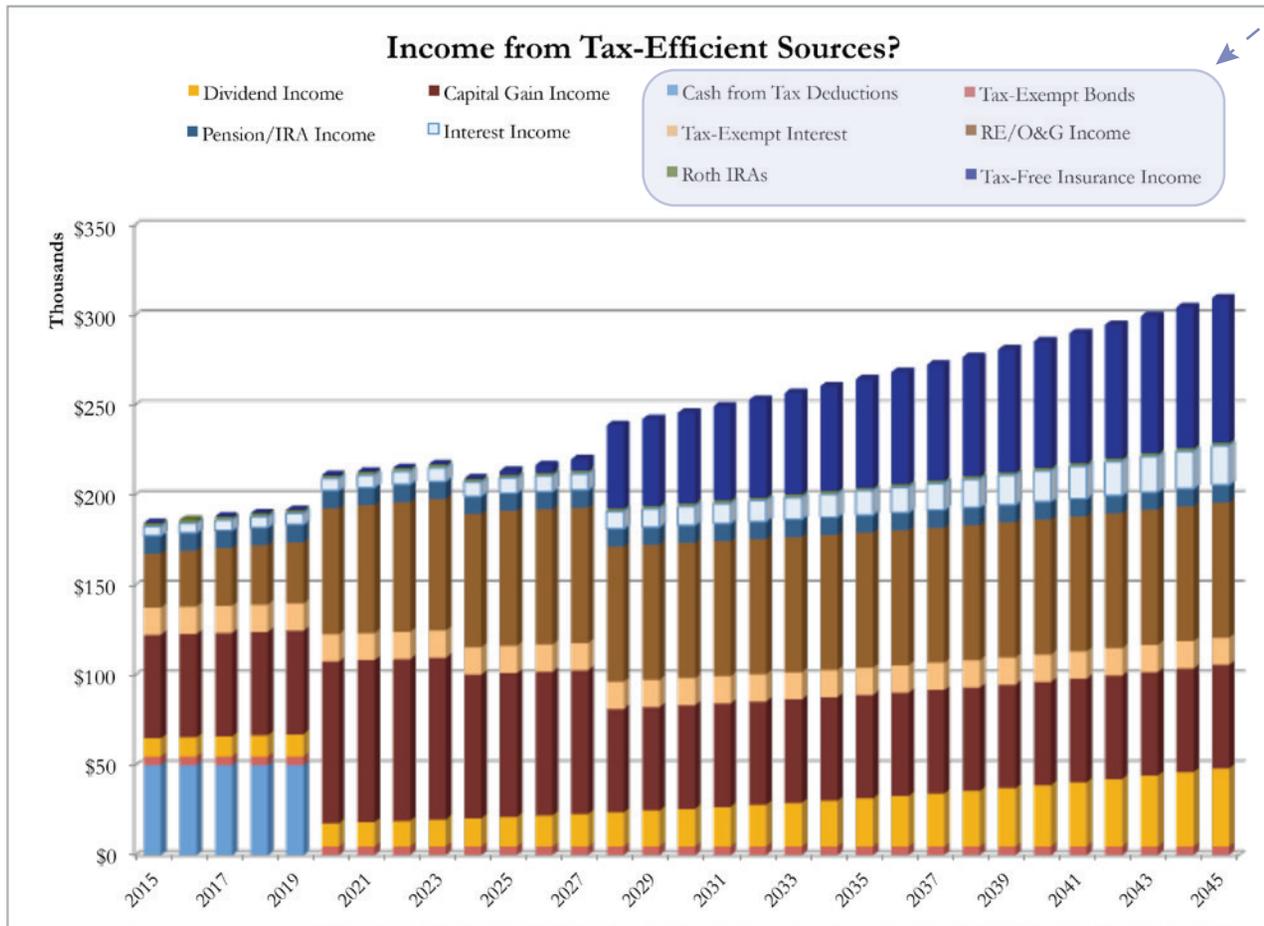


Evaluate the Sources of Your Lifetime Cash Flow

Interest Income	Dividend Income	Capital Gain Income	Pension/IRA Income	Tax-Exempt Interest	RE/O&G Income	Tax-Exempt Bonds	Roth IRAs	Tax-Free Insurance Income	Cash from Tax Deductions
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Work with Us to Choose from an Array of Strategies Providing Income from Best Sources



The wealth planner generates two charts like the one at the left. The current chart shows much taxable income and the proposed chart shows much tax-free income. By comparing the lifetime taxes, it is often possible to show more than \$1,000,000 of tax savings.

\$1,000,000+ of Lifetime Tax Savings

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