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• Go Green For Tax Breaks?

If you're thinking about making home improvements, now is the time to turn your eye to the green movement.

• Make A List and Check It Twice!

Thinking about estate planning might not be the most pleasant thing you do this weekend, but going through the following checklist may be the most important thing you can do.



Quote of the Month

"Character is power. "

-Booker T. Washington

GO GREEN, BEFORE TAX CREDITS EXPIRE.

If you're thinking about making home improvements, now is the time to turn your eye to the green movement. Tax incentives can make the longer-term energy savings even more appealing, but federal tax breaks are set to expire at the end of the year, and with current budget concerns, it's not likely they'll be extended.

For 2011, the maximum tax credit for most improvements is \$500. That amount includes the cost of materials and installation, though for some projects only a percentage of costs are deductible. Because it's a tax credit instead of simply a tax deduction, it's like getting a \$500 check back from the IRS. Here's a partial list of the projects covered under the Residential Energy Efficient Tax Credit set to expire December 31st, 2011:

- Exterior doors and windows, Storm windows, Skylights, Roofs, Insulation, Central air and heat, and Hot water heaters

Even without the tax credit, you'll see lower electric bills. For example, a new air conditioner is generally 30% more efficient than a 10-year-old model, and insulation can reduce loss of cool air by 20% to 30%. Steps to improve your home's shell, like adding insulation, replacing ductwork, and installing central cooling systems, are some of the most cost-effective home improvements. According to calculations by the EPA and Home Depot, new windows can save homeowners up to \$500 on energy costs a year while a new water heater will pay for itself in five years.

For more ambitious energy-saving projects, homeowners can claim federal tax breaks until 2016. If you jump headfirst on to the renewable energy bandwagon, you may be eligible to apply for a tax credit worth up to 30% of costs with no dollar limit on that tax credit. Here's a partial list of the bigger-ticket projects covered under the Residential Renewable Energy Tax Credit:

- Solar panels, Geothermal heat pumps, Small wind turbines, Fuel cells

Depending on where you live, rebates and tax credits are also available on the state and local level, and many incentives can be combined with the federal credit. California and Colorado are two states with a wide range of grants and rebates --in some cases up to \$8,000. Even if you could care less about "going green," if you're in the market to make home improvements, it can pay to figure possible tax credits into your budget.

Citations:
http://online.wsj.com/article/SB10001424053111903918104576506952070122990.html?mod=WSJ_PersonalFinance_PF14
http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US40F&re=1&ee=1

ESTATE PLANNING CHECKLIST

Thinking about estate planning might not be the most pleasant thing you do this weekend, but going through the following checklist may be the most important thing you can do to ensure a smooth transfer of your property and assets to your beneficiaries.

Estate planning involves many different pieces, and it's easy to overlook some aspects even if you've carefully accounted for others. It can help enormously to have clear communication with a trusted advisor, and keeping good records is invaluable. Sooner, rather than later, make sure you have all of the following ducks in a row.

1) **Build a Balance Sheet**

A comprehensive list of what you own and what you owe is crucial for all kinds of financial planning, and it's the basic starting block for a complete estate plan. Don't forget physical assets, such as gold or silver coins, and artwork.

2) **Organize Records & Documents**

Even the most comprehensive summary is useless if no one can locate it. Make sure that financial records and other important documents are organized in a way that makes sense and are stored in a secure, accessible location, and that the whereabouts of those documents are known by multiple beneficiaries.

3) **Create a Durable Power of Attorney**

A Durable Power of Attorney allows another person to manage your finances, including paying bills and handling investments in the event you are unable to. This document is also very important when it comes to retirement accounts, as no one, not even a spouse, can make a withdraw from your retirement accounts with out this document in the event you are incapacitated and your spouse may need to access these accounts for your benefit.

4) **Double Check Beneficiary Designations**

Named beneficiaries take precedence over the provisions of your will or trust, even if the beneficiary was named years before the will or trust was written. Retirement accounts established with former employers can be particularly troublesome. We recommend you review the beneficiaries on your accounts every couple years.

5) **Write Legacy Letters**

Personal legacy letters to those closest to you --passing on values, hopes, and dreams --can mean more than any possession ever could.

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<http://www.seniormarketadvisor.com/Issues/2011/July-2011/Pages/Estate-Planning.aspx?page=1>



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Q&A
Should you have any questions concerning anything in this month's installment or to learn about upcoming events please contact our office.