

***WIN – WIN
YOU and the
AMERICAN
RED CROSS
OF WESTERN
CONNECTICUT***



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Author of Retire Without Worry

As we close 2006, I would like you to consider two tax reduction actions that would benefit you and the Western Connecticut Chapter of the American Red Cross. Our local Red Cross chapter has been responding to calls for help for **100 years**. Now is the time for members of the community to reciprocate and reduce 2006 taxable income at the same time.

The first action takes advantage of a recent change that allows charitable gifts to be made directly from an IRA account in 2006 and/or 2007. If you are over 70 1/2 years of age, you can transfer up to \$100,000 per year in 2006 and 2007. The IRA distribution(s) will not be included in your income for federal income tax purposes and the transfer counts toward yearly mandatory withdrawals. If you are between the ages of 59 1/2 and 70 1/2, you can still withdraw funds from an IRA account and donate them to our local chapter. The withdrawal is typically reported as income with the charitable gift claimed as an offsetting deduction.

The second action is even simpler to implement. Rather than writing a check at the end of the year, donate appreciated stock with value of up to 30 percent of your adjusted gross income. Contributing stock rather than cash entitles you to a tax deduction equal to the securities' fair market value...just as if you had sold the shares and contributed cash. Donating the stock directly avoids capital gains taxes for you and the Red Cross chapter. You receive the deduction while they get much-deserved support.

If you call Frank Estes at 1-800-390-1251, he will guide you through either or both of these actions. If you are also thinking beyond the end of the year, he can help you with another WIN – WIN strategy... the use of a charitable remainder trust to squeeze income out of assets throwing off little or no cash -- with no capital gains taxes -- and a generous tax reduction.

I hope you consider taking action between now and the end of the year because the Western Connecticut Chapter of the American Red Cross needs your help now after responding to community requests for 100 years. While in the holiday spirit, let's repay this debt and help ourselves at the same time. Happy New Year!

Bob Reby is Founder and President of Danbury-based Robert J. Reby & Company, Inc. Founded in 1985, this conservative wealth preservation firm focuses on the financial needs of individuals and small businesses. He is a frequent guest commentator on CNBC-TV's "Power Lunch" and Fox-TV's "Good Day New York." In addition, he is author of a Forbes Top 50 Business Book, *Retire Without Worry*.

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