



## Robert W. Wood

THE TAX LAWYER

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### Year-End Tax Rates: Sanctimonious Santa Or Dastardly Deed?

It's hard to get past the rhetoric and finger pointing in Washington these days, with many Democrats criticizing the President for caving in to Republicans on extensions of the [please-think-of-a-new-name Bush tax cuts](#) and the estate tax to boot. [President Obama](#) has fired back that shortsighted Dems are being sanctimonious. Meanwhile, deals are flying like playing cards in a windstorm, though our Veep Mr. Biden (who quipped that paying more taxes equals [patriotism](#)) warned Dems [the deal](#) was a *fait accompli*.

Regardless of whether you're in the [Scrooge or Santa camp](#), what is Joe Taxpayer supposed to do in the meantime? Plan for the end of 2010 assuming the latest announcements will end in a signed law or keep treading water?

My answer is a kind of watchful waiting. We already more or less knew the [AMT](#) would have to be patched. Even the IRS Commissioner pleaded with Congressional leaders that it had to be fixed asap or risk major upheaval for 21 million more taxpayers. See [December 1, 2010 letter](#). That was on top of risking SNAFUs with IRS computers some of which are so old that the squirrels inside running them are getting gray hair. OK, perhaps I exaggerate.

Still, as we wind down the year with only 16 shopping days 'til Christmas, should you prepay your state income taxes and property taxes, donate to charity, sell that block of loser stock you have, or sell that winner to grab some capital gain at the 15% rate? Do it all? Do some but not others?

Unless you want to impress VP Biden with your patriotism, you should run some numbers. The truth may set you free, but let numbers be your guide. Plus talk to your own tax professional if you need help.

In fact, many tax pros have been saying the same thing for months: [Sell or Hold \(Given Year-End Tax Rates\)?](#) Even for staid tax advisors, many may be tired of repeating it all. We thought we'd know by now! See [Tea Leaves And Tax Moves in 2010](#).

As to the estate tax, don't forget year-end gifting either: [Estate Tax Steps For This Year](#).

If all else fails, as you wait, try writing tax poetry:

This year-end is different but also the same;  
It's time to think taxes, deductions to claim.  
In days now gone by, the ancients planned too.  
Swapping rams for a ewe, so no tax was due.  
With taxes today in the national view;  
And everyone talking and blogging, boohoo.  
With tax rates in flux and taxes soon due;  
Tax holidays? We sure need them too.  
Amid deficits and downturns, worry and strife;  
There's good news for all: tax rates get the knife!

*Robert W. Wood practices law with [Wood & Porter](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009, [Tax Institute](#)), he can be reached at [wood@woodporter.com](mailto:wood@woodporter.com). This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*