



Citation and Resource Guide

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Ginnie Mae Funds for Your Retirement

- The low risk aspect of Ginnie Mae's business model is illustrated at www.ginniemae.gov/about_us/who_we_are/Pages/our_business_model.aspx.

Tax Credits Beat Tax Deductions

- The AICPA's *Journal of Accountancy* has an article on how new rules affect popular tax credits at www.journalofaccountancy.com/newsletters/2017/feb/new-rules-popular-tax-credits.html.

R&D Tax Credits for Small Companies

- The IRS provides details on the tax credit for increasing research activities at www.irs.gov/pub/irs-regs/research_credit_basic_sec41.pdf.

Practice Development Tip

Look Hard at Leveraged IRA Withdrawals

Some financial advisers encourage clients to leverage withdrawals from traditional IRAs. As you prepare for year-end tax planning meetings with clients, this can be a topic of interest to many people.

The leveraging strategy falls into two categories. One is for clients who have reached age 70½ and must take required minimum distributions (RMDs) from their IRAs. If these people do not need the RMD for living expenses, they can pay the resulting income tax and use the net proceeds to pay for an insurance policy on their lives.

Alternatively, people younger than 70½ may be urged to take IRA distributions that are not required. These distributions may be calculated to keep the IRA owner within his or her current tax bracket. Again, the after-tax amount can be used to buy life insurance. (This arrangement may work best if the IRA owner has reached age 59½, beyond the 10% early withdrawal penalty.)

Either way, these plans revolve around taxes. Traditional IRA distributions generally will be taxed, with payments coming from the account owner or from a beneficiary. The greater the tax-deferred buildup, the more that eventually will be due to the IRS.

On the other hand, death benefits from a life insurance policy usually avoid income tax, and most beneficiaries won't have to deal with federal estate tax. So, IRA withdrawals now likely will be taxable, but by putting the after-tax money into life insurance, the IRA owner may be able to deliver a larger tax-free amount to loved ones in the future.

At year-end tax planning meetings, you can explain these ideas to clients. Go over their specific situations (age, health, need for IRA money in retirement, prospective beneficiaries) to discuss whether this approach may be helpful. If clients are interested, suggest they contact their life insurance agent for proposals. Offer to look over any policy illustration to see if the numbers appear to offer a tax-efficient method for dealing with IRA distributions.

Practice Development & Management Resources

from the AICPA

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Planning for Retirement Needs, 13th edition

- Retirement planning covers both accumulating and preparing for retirement, as well as making decisions during retirement. This publication covers the basic concepts you need to know to discuss your client's retirement planning needs. [Item no. PPF1507P—AICPA Member \$149.00, Nonmember \$169.00]



Fundamentals of Income Taxation, 12th edition

■ This publication addresses specific areas in the tax process that are needed for financial planning. Learn about taxation of specific items like annuities, life insurance, and modified endowment contracts; specific tax deductions and credits, such as charitable deductions and education related credit; the nuances of passive activity losses and how to determine when they apply; and the impact of entity selection and the related tax considerations for owners, partners, and shareholders.

[Item no. PPF1508P—AICPA Member \$149.00, Nonmember \$169.00]

AICPA PCPS/CPA.com MAP Survey National Summary

■ AICPA's Private Companies Practice Section (PCPS) partnered with CPA.com on the National MAP (Management of an Accounting Practice) Survey, which was fielded from mid-May through July 2016. This summary provides financial and other key benchmarking data from the survey. This product will provide you with comparative benchmarking data relative to firm size and region that can help you create strategic goals and maximize your firm's performance.

[Item no. PCPSSUR03—AICPA Member \$200.00, Nonmember \$300.00]

Management of an Accounting Practice eHandbook

■ This is your go-to resource for all things practice management. Streamlined online guidance for easy reading and quick reference on the topics you care about: employee compensation and benefits, staffing, disaster recovery, firm organization, benchmarking, strategic planning, and more!

[Item no. MAP-XX—AICPA Member \$149.00, Nonmember \$189.00]

MAP On Track

■ Often, practitioners and small- to medium-sized firms find it challenging to stay on top of firm management responsibilities. The new Management of an Accounting Practice On Track (MAP On Track) will help keep you organized. This new scheduler is easy to download and functions as an add-in to Microsoft Outlook, adding tasks to keep your firm running throughout the year. As an added bonus, within the automatically scheduled tasks, you'll find useful links to relevant content within the comprehensive MAP eHandbook as well as PCPS tools that can inform your next steps.

[Item no. MAPTKD—AICPA Member \$229.00, Nonmember \$289.00]

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