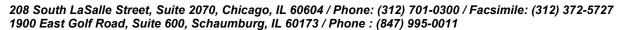
Two Minute Legal Update

ROBERT T. NAPIER & ASSOCIATES, P.C. www.napier.com



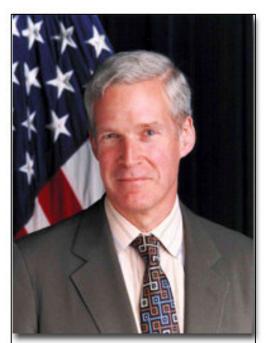
A (Hypothetical) Thank You Letter to You From the IRS

Dear Taxpayer:

(I know you think of yourself as a parent, a spouse, or a special person, but I think of you as just another taxpayer.)

We, here at the IRS, know you have many choices when it comes to paying taxes. That is why I would like to thank you for choosing the IRS, and for paying your taxes.

Please forgive me if that sounded like a flight attendant on your



Mark W. Everson, IRS Commissioner

last vacation. But you really do have a choice—at least when it comes to paying estate taxes, gift taxes, and generation-skipping taxes—so I thought it made sense to thank you for choosing to pay them.

After all, the annual federal budget is about \$2.6 trillion. For you math-majors, that means we spend about \$5 million per minute. So you may feel good in knowing that every \$100,000.00 in tax you send us fuels our furnace for about 1.2 seconds. I know that \$100,000.00 might cover most of a loved-one's college education, feed many orphans, or be a down payment on

a home. But you should also feel good in knowing that, probably, more than half of what you send us does not go to waste.

You choose to send your money our way, the IRS's way, and for that, I thank you.

While I know you have a warm feeling in your heart, allow me to share another set of numbers with you. These figures will certainly bring a grateful smile to your face.

You probably had a party back in 2001 to celebrate



Quips and Quotes

"I think everyone should go to college and get a degree and then spend six months as a bartender and six months as a cabdriver. Then they would really be educated."

> —Al McGuire, Marquette University Basketball Coach and 1977 NCAA Champions

the estate, gift, and generationskipping tax reductions. (You may want to refer to those taxes as "My Three Sons" since those taxes may effectively make the IRS a big beneficiary of your estate.)

Well, the 2001 law lowered the tax rates from about 55 percent, and while the federal rate is now just 46 percent, your friends in Springfield have tacked on an estate tax of their own. Illinois now hits its residents for about 8 percent, so couple that with the federal 46 percent, and you currently enjoy a modest 54 percent estate tax. You decide if that's much different from the 55 percent payable before "tax reform."

So thanks for all you do (or don't do), and keep those checks coming.

Sincerely,
Mark W. Everson