

Tampa Financial Planner Explains Why You Should have a 2013 Tax Plan Now

/EINPresswire.com/ While taxes are far from everyone's mind during the Holiday season, Frank J. Velten, CFP®, president of a [Florida financial advisors](#) company, F.J. Velten & Sons, Inc., firmly believes that it's time to start tax planning for 2013.

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Velten and several other industry experts agree that an individual generally needs at least a few months to get educated on available tax opportunities, identify the best approach to take, and implement a tax plan. Early 2013 may be a particularly frenzied time for tax planning due to Bush tax cuts that are expiring, so Velten stresses that it's important to get started as soon as possible.

Due to the various tax cut provisions expiring at the end of the year, the Certified Financial Planner™ Professional suggests taking advantage of a number of breaks that may not be available by January 2013. Rates on long-term capital gains, for example, are set to increase from 15% to 20%. Federal income taxes will also increase from 36% to 39.6%. Individuals who wish to benefit from these generous tax breaks should do so before the year ends.

Effective January 1, 2013, taxpayers with adjusted gross incomes greater than \$200,000 will be subject to an extra .9% Medicare tax paid on earned income, with an additional tax of 3.8% on their passive net investment income. This unearned income includes dividends, rental income, capital gains, interest, passive business income, and royalties.

Velten states that the higher Alternative Tax Exemption or AMT patch is yet another tax provision to watch out for, with a current exemption of \$74,450 dropping down to only \$45,000 in the coming tax year. Although AMT may not have applied to many individuals in the past, the tax is greatly expanding its reach and may give individuals reason to plan more carefully for the coming year.

When it comes to [estate planning](#) and taxation, Velten states that significant changes are also going to take place. Estate tax will increase by 10%, from 35% this year to 55% in 2013. Unless Congressional action is taken, even the lifetime exemption amount may go down from over \$5

million to \$1 million.

Velten repeatedly stresses on the importance of tax planning. "Tax planning this coming year is going to be chaotic. Getting a head start on tax planning for 2013 ensures financial stability for you and the future of your family."

Velten began his career in financial planning and investments in 1992, and obtained a Certified Financial Planner (CFP®) certification in 1999. Together with his sons, Frank founded F.J. Velten & Sons, Inc. in 2002, which is a one stop shop that meets all of an individual's financial needs, including those related to investments, insurance, financial planning, estate planning, and tax advisory.

Apart from being a Certified Financial Planner™ Professional, Frank J. Velten, CFP® is the President and Founder of F.J. Velten Insurance Agency, Inc., F.J. Velten & Sons Tax Services, Inc., and F.J. Velten & Sons, Inc. Investments and Financial Planning.

F.J. Velten & Sons, Inc. provides [financial planning in Tampa, FL](#) / St. Petersburg, FL and Clearwater, FL metro area and is headquartered in New Port Richey. For more information you can reach F.J. Velten & Sons, Inc. at 1-866-815-0300 or visit <http://www.fjveltenandsons.com>

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