

Law Office of Alan D. Davis Newsletter

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Welcome to the Spring newsletter of Alan D. Davis, Attorney at Law

Hello again!

Since launching my initial newsletter, I've gotten a lot of positive feedback from both clients and attorneys. Most of the comments appreciated the information that the newsletter contained, as well as the bio that I included.

This month I've changed my picture to a more formal look. I'm still looking for one that captures the "real" me, so let me know what you think.

A lot of my clients look on me not only as their legal adviser, but also as a trusted friend. Because of this trust, I'm frequently asked for referrals to other types of professionals. I have a wide circle of friends and acquaintances that I know and trust. Before I refer someone to that person, I check them out, both professionally and personally. I won't refer you to a lender or a realtor or an insurance agent

unless I'm sure they have your best interest at heart. I'd rather tell you I don't know someone in a particular field than give you a bad referral.

Take the construction trades, for instance. How many of you have hired a plumber, electrician, or handyman, only to find out you were in worse shape than when you started. If I can't give you the name of someone who's both good AND reliable, I won't give you a name.

If you'd like a referral to a professional, or to schedule an appointment to see me, call me at (714) 614-0422. If you're out of the area, call me toll-free at (800) 728-LAWS.



***Plan your estate
with me and
your attorney
won't inherit a
fortune!***

Do you need a good realtor? How about a chiropractor? Not sure what to do about your retirement? If you need a professional and don't know where to turn, call me. I know people who can help. Good people!

What's a Trust?

I recently spoke to a group of seniors, and one of the questions I got was: what's the difference between a will and a trust? A will is simply a written document that says who gets your property when you die. Depending on what type of property and

how much it's worth, your estate may have to be probated in court. A trust, on the other hand, can avoid probate, with its high cost and time-consuming procedures. By transferring your assets during your lifetime into a trust, you can have

your cake and eat it, too. Your heirs get their inheritance upon your death, but they don't have to worry about probate. It's important to consult an attorney with expertise in estate planning in order to minimize the cost and maximize the

benefits of a trust. There are many "trust mills" out there that will tell you that they're working in your best interest, when in fact they're only interested in lining their own pockets. Don't be fooled by \$295 specials. Make sure you speak to an attorney who specializes in estate planning.

THESE ARE SOME OF THE AREAS THAT I CAN HELP YOU WITH:

- Estate Planning—Living Trusts, Wills, Powers of Attorney, Health Care Directives
- Probate
- Real Estate, Landlord/Tenant, Deeds, Mortgages
- Civil Litigation
- Guardianship and Conservatorship
- Refinancing or selling your home

Office: 1323 N. Broadway
Santa Ana, CA 92706
Mail: P.O. Box 3476
Fullerton, CA 92834-3476

Phone: 714-614-0422
Toll-free: 800-728-LAWS
E-mail: alan@alاندavis.com
Fax: 714-285-1425

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on an estate to plan
one!*

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Law Office of Alan D. Davis
1323 N. Broadway
Santa Ana, CA 92706

Taxes, Taxes, Taxes!

A wise man once said that nothing is certain but death and taxes. Probate involves both, of course, but while death may be absolute, taxes are negotiable. First of all, when it comes to taxes, what kind are we talking about? Second, what can be done about minimizing or even eliminating them?

There are three kinds of taxes that estate planning attorneys concern themselves with: income, estate, and property taxes. In this issue, I'll tackle income taxes.

Income taxes can affect anyone, even retirees, but an estate can also generate income taxes. Good estate planning can keep income down, or shift it to lower-earning heirs, like your kids. But if an heir inherits prop-

erty and then sells it, there may be capital gains taxes to pay. Fortunately, Congress has seen fit to give us what's called a "step-up in basis" when property is inherited. That means that if you sell mom's home after her death, the basis, for income tax purposes, is its value as of her date of death, and not what she paid for it. So if mom paid \$10,000 for her home in 1960 and it's now worth \$600,000, you won't have a capital gain of \$590,000, if you sell it right after she dies. Instead, the gain would be zero if you sell it for its value as appraised on her death.

Next month I'll discuss property taxes and how to keep the Proposition 13 basis.



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