



What Would Puss Do?

This weekend, DreamWorks Animation's *Puss in Boots* clawed to the top spot in the theatres, selling \$34 million in tickets. The story follows Antonio Banderas's animated *gato* as he and his friends hunt for magic beans, grow a beanstalk to the sky, and make off with the goose that lays the golden eggs. (It's OK, your kids will follow it just fine.)

Meanwhile, here in the real world, the 2012 election is picking up steam. Federal spending has reached \$3.7 *trillion*. But the politicians in charge of spending all that money are having no luck finding magic beans, let alone golden eggs. It looks like we're going to have to stick with plain old taxes. And of course the candidates have dramatically different visions of how to raise those taxes.

President Obama remains committed to our progressive tax system, where taxpayers with more beans pay a higher percentage of their income. Obama has proposed a new surtax for those earning over a million beans a year. And he's endorsed all sorts of targeted tax breaks for specific purposes, such as higher education, new homes, and even new cars.

Obama's Republican opponents, in contrast, lean towards broader, flatter taxes, with fewer deductions or credits and lower rates:

- Former Godfather's Pizza CEO Herman Cain has vaulted to the top of the polls with his catchy "9-9-9" plan, which would scrap the current 3-million word Tax Code for a 9% tax on personal income (minus charitable contributions), a 9% tax on business income, and a 9% national sales tax.
- Texas Governor Rick Perry would let taxpayers choose an optional 20% flat tax on earned income. Perry's plan also raises the personal exemption to \$12,500 and preserves deductions for mortgage interest, state and local taxes, and charitable gifts for families earning up to \$500,000.
- Libertarian Ron Paul would repeal the income tax entirely. (It doesn't get much flatter than that!)
- Even "establishment" candidate Mitt Romney has said "I love a flat tax" and proposed to eliminate tax on capital gains, interest, and dividends for those earning less than \$200,000.

Realistically, even if Republicans retake the White House, we're not likely to see a true flat tax. Remember, it's *Congress* that actually makes the laws. And right now, the Democrats and Republicans who run things on Capitol Hill can't seem to agree on naming a post office - let alone remaking the Tax Code that powers government spending.

As for us, our job is to help you pay the legal minimum regardless of how the Tax Code works. We've told you before that *planning* is the key to keeping *your* magic beans - and that's still true even under the Republican flat-tax proposals. So why wait for the election when you can start cutting your tax now? Call us - *before* December 31 - to discover what we can do *now!*