CAPITAL MANAGEMENT LLC

An Independent Registered Investment Advisor

Securities offered through **Raymond James Financial Services, Inc.** Member FINRA/SIPC

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FALL 2018

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Financial *focus*

WHAT MATTERS MOST TO YOUR FAMILY, MATTERS MOST TO OURS.

Laura Christofferson: In the News

- ***Forbes*** recently included Laura in its 2018 ranking of America's Top Next-Gen Wealth Advisors, ranking advisors born in 1980 or later with a minimum 4 years relevant experience.
- Laura was named to ***Working Mother*** magazine's list of the 2018 Top Wealth Advisor Moms, ranking wealth advisors who are mothers with at least one child living at home under age 18.
- Laura volunteered as Co-Chair for the ***Nellie Cashman Woman Business Owner of the Year*** Award Gala at the Four Seasons Hotel Seattle. This award honors Puget Sound area women entrepreneurs who have made outstanding contributions to the status of women business owners through their leadership in business and the community.

Congratulations, Laura, on your achievements, and thank you for your community service!

Laura, Landry, and Elliott (21 mo.)

Forbes list of "America's Top Next Generation Wealth Advisors / Top Millennial Advisors 2018": Data provided by SHOOK™ Research, LLC Data as of 3/31/2018. Advisors have built their own practices and lead their teams; joined teams and are viewed as future leadership; or a combination of both. Ranking algorithm is based on qualitative measures derived from telephone and in-person interviews and surveys: service models, investing process, client retention, industry experience, review of compliance records, firm nominations, etc.; and quantitative criteria, such as assets under management and revenue generated for their firms. Working Mother's list of "2018 Top Wealth Advisor Moms": SHOOK Research considered wealth advisors who are mothers with at least one child living at home and under the age of 18. Ranking algorithm is based on qualitative measures derived from telephone and in-person interviews and surveys: service models, investing process, client retention, industry experience, review of compliance records, firm nominations, etc.; and quantitative criteria, such as assets under management and revenue generated for their firms. Investment performance is not a criterion because client objectives and risk tolerances vary, and advisors rarely have audited performance reports. Rankings are based on the opinions of SHOOK Research LLC. Neither SHOOK nor Forbes nor Working Mother receives compensation from the advisors or their firms in exchange for placement on a ranking. Raymond James is not affiliated with Forbes, Working Mother, or Shook Research, LLC. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. For more information, see www.SHOOKresearch.com.

2018 Year-End Tax Planning Resources

Do you know which itemized deductions and credits made the cut?

Last December, accountants and taxpayers everywhere got a chance to unwrap the comprehensive and at times, overwhelming, new tax bill. A lot was packed inside, including changes to several itemized deductions as well as some tax credits, and almost all of the individual income tax changes expire at the end of 2025. We also got a higher standard deduction; however, for some taxpayers, the resulting benefit may be partially or totally offset by the repeal of the personal exemption.

Take a look at what did and didn't make the cut, then ask your advisor and accountant if you'll be able to itemize.

Personal Exemptions Say goodbye. In the past, taxpayers were generally allowed to reduce their taxable income by $4,050 per person, but no more.

Medical Expenses Still deductible, once out-of-pocket medical expenses exceed 7.5% of your adjusted gross income (AGI). That threshold will increase to 10% in 2019 (except for taxpayers age 65+ for whom the 7.5% floor will remain intact), so it may make sense to move up any known deductible medical expenses to this year.

Also, the new bill eliminates the tax penalty for not having health insurance (starting in 2019).

Large Charitable Donations Still deductible, and the limit for cash contributions has been raised to 60% of adjusted gross income. Remember that this only helps if all your itemized deductions exceed the new, higher standard deduction.

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Mortgage Interest Payments Still deductible, but only on loans up to $750,000 that were opened after Dec. 15, 2017. Prior loans are capped at $1 million.

Interest on Home Equity Loans and Lines of Credit Still deductible, but the loan must be used to “buy, build or substantially improve” the home that secured the loan. Otherwise, no.

State and Local Taxes (SALT) Still deductible, but capped at $10,000 for most individuals. In the past, it was generally unlimited.

Credit for Dependents Still applies, and the Child Tax Credit has been doubled to $2,000. In addition, the new law allows for a $500 credit for other types of dependents.

Casualty and Theft Losses Still deductible, but only if the casualty loss was due to a federally declared disaster. The deduction for theft losses has been repealed.

Unreimbursed Job-Related Moving Expenses Say goodbye until at least 2026, barring any changes. These expenses are no longer deductible unless you are an active duty military family.

Alimony Say goodbye. No longer deductible by the payer spouse or taxable to the payee spouse for agreements inked after 2018. You may want to include a provision that the divorce agreement must be renegotiated if the tax law changes again.

Additional ACM Tax Planning Ideas

Charitable Giving If you are able to itemize, consider lumping gifts for multiple years into one year to receive the deduction.

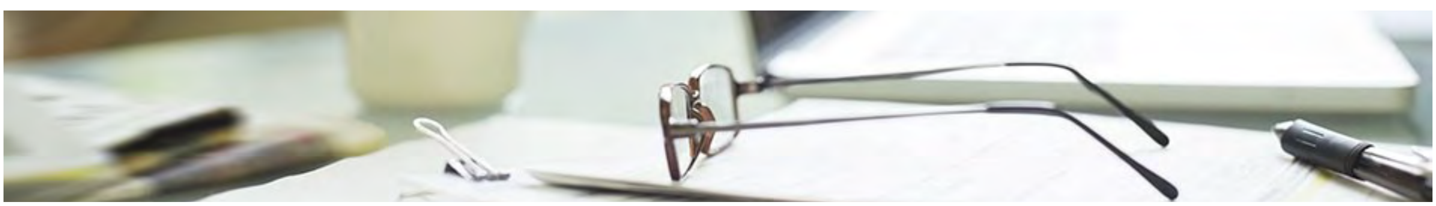
Gifting Appreciated Assets (Stock) Donating appreciated equity can be a gift for both you and your favorite charity. You can avoid capital gains tax on the appreciated amount that you would have incurred had you sold the stock, and you get a tax deduction for the full fair market value of your long-term capital gain asset – up to 30% of your adjusted gross income. Plus, it’s a way to reduce a concentrated equity position and bring your portfolio back in line with your goals. Another gifting option is to ask us about creating a Donor Advised Fund through Raymond James Charitable.

Qualified Charitable Distribution (QCD) For IRA owners 70.5 or older, you may make (all or part of) your Required Minimum Distribution (RMD) payable to a qualified charity (up to $100,000) thereby excludable from gross income. (Note: This is especially helpful if you are not able to itemize deductions yet still want to donate to your favorite charity.)

Estate and Gift Tax Exemption For 2018, the lifetime estate and gift tax exemption is $11.2 million per individual ($22.4 million for couples). This is the lifetime amount you can leave to heirs and pay no federal estate or gift tax. And the annual gift exclusion amount is now $15,000 ($30,000 for couples). Note: WA estate tax is still in place.

Many key provisions of the Tax Cuts and Jobs Act expire in 2025, so now is the perfect time to consult with us as well as your tax professional to discuss opportunities.

Sources: forbes.com; nytimes.com; turbotax.com; Raymond James research. Please note, changes in tax laws or regulations may occur at any time and could substantially impact your situation. While familiar with the tax provisions of the issues presented herein, Raymond James financial advisors are not qualified to render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.



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