

Stephen F. Aton, Attorney at Law

Corporate
Estate Planning &
Personal Injury Law

PROVIDING QUALITY LEGAL SERVICES TO CLIENTS FOR A SECURE FUTURE.

Why do I Still Need an Estate Plan?

The American Taxpayer Relief Act of 2012 finally provided some certainty about federal estate taxes. We now know:

Each person can transfer \$5.25 million to others with no estate tax;

A couple may transfer \$10.5 million, provided they do proper planning, with no estate tax;

The estate tax over the exemption amount is 40%.

So, if a couple has an estate of \$3 million, do they need an estate plan? The answer is yes. Although tax planning may not be required for estates under the exemption amount, estate planning still accomplishes several goals.

With a trust, for example, you can avoid probate, which tends to be long and expensive. An estate plan will also allow you to hold assets in trust after death for a child, so that they do not come into a large sum of money before they are able to handle it.

A typical estate plan will also provide for Powers of Attorney for healthcare and financial matters, so that someone will be able to act on your behalf if you become incapacitated.

While you may not have a concern about estate taxes, other valuable benefits still come with a proper plan.

This is an excellent time to review your estate plan, since there is finally some certainty in the law.



\$461,000 for Brain & Hip Injury

Clients were injured in a crash when a negligent driver made an unexpected U-turn in front of them. The husband had a broken hip and the wife suffered a traumatic brain injury which affected her short term memory. We obtained \$300,000 from the negligent driver's insurance policy, and \$161,000 from my clients' own underinsured policy. We help victims of auto and motorcycle crashes recover for their damages. We would welcome the opportunity to assist you or a friend with an injury claim.



We have moved! New location after 17 years.

Located at 1571 E. Cherokee, three blocks west of Mercy Hospital, between Fremont and Glenstone.

The Aton Law Firm has relocated in its first move since 1997. I purchased the former construction company building of my father, R. Richard Aton, and my uncle, Raymond F. Aton. Together they operated Aton Bros. Construction Company from this property from 1947 to the mid-1980s.

In 1992, the building was sold to a family member, and I bought it from him last year.

Sheds had been built back in the 1950s all around the perimeter of the half acre lot. These sheds were used for a work shop, storage of building materials and vehicles.

There was a 30 foot telephone pole in the back and an antenna attached to it for short wave radio transmissions to the workers in the field. Long before the days of cell phones, this system provided a way to communicate with the men on the job.

Among the projects of Aton Bros. just in Springfield are the following: US Bank (formerly Mercantile Bank) on St. Louis Street; AT&T building on

St. Louis and Kimbrough; the National Avenue Christian Church; Paul Mueller Company; Springfield Convention Center (formerly Sears Roebuck); Mid-American Dairy (formerly Producers Creamery).

The building had not been updated since the 1970s, so there was a lot of work done to modernize the facility. There is at-the-door parking and easy access to the office.

We plan to be at the present location for many years and look forward to seeing you here soon!

3.8% New Medicare Tax on Investment Income

New for 2013 is the 3.8% tax on investment income. The tax will be imposed on single taxpayers with modified adjusted gross income (MAGI) earning over \$200,000, and married taxpayers with MAGI over \$250,000.

Investment income includes the following types of income:

- dividends
- short and long-term capital gains
- interest
- gain from sale of your home
- gain from sale of stocks and bonds
- rental income
- income from passive activity

This tax is not levied on salary or wages. So, you could have a salary of

\$250,000, but not have any investment income, and you would not pay or be subject to the investment tax.

On the other hand, a married couple filing jointly with an MAGI of \$300,000 and \$60,000 of net investment income will owe the 3.8% investment tax on \$50,000 (the lesser of the excess MAGI of \$50,000 or the net investment income of \$60,000).

At this time, gain from the sale of a principal residence that results in a capital gain that is less than \$250,000 for an individual) or \$500,000 for joint returns) is excluded from taxation. The 3.8% tax does not apply to the current excluded amounts for the capital gains of the sale of a primary residence.



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Yesterday and Today

1571 W. Cherokee Street



Aton Bros. Construction Company—1947



Aton Law Firm—2013