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Annual Client Letter

Dear Clients:

I grew up in a day and age when comics books were a BIG thing. And comic book characters were larger than life. Superman, Batman & Robin, Spiderman, The Green Hornet; they were all really cool dudes, and crime fighter to boot. As a kid, I knew they were real. And because they were around, they made me feel “safer” knowing they were there; protecting us all from the evils of “bad guys”. But recently, my age is telling me that was a long time ago.

As we all (at least most of us) grew out of the fantasies that were a part of our youth, we continued to look to others to give us that “warm and comfortable” feeling that we had when we were young. That feeling that there was always someone covering your back; protecting us from harm.

Naturally, as we realized that the Super Hero’s I once worshiped in my youth were only a figment of Stan Lee’s imagination, and we grew beyond the shadow of our parents, we turned to our government (as those before us have done) to provide us with a degree of comfort (and protection) from those elements in the world that could cause us harm. But recently, my age is telling that was a long time ago.

Last year’s “*what an incredible year*” tag was clearly topped by this past year’s mind-boggling events. Mass shootings, political and religiously based terrorism, attaches on the truth, a constant droning of false information, and a failure to govern were a large part of our country’s recent landscape.

It seems that the differences between our divided nation have only widened, as was made apparent this past Mid-term election. With such a large division between us, now more than ever we need “new” leadership in Washington. Leadership that can reunite the factions now present in this county and bring us back together. Unfortunately, it is noticeably apparent that we cannot look to our present political leadership to do so!

The American public has been witness to the dismantling of national institutions and the continued degradation of our society by those very people we depend on to keep us safe. What was the cornerstone of our Democracy has been turned upside down over the past several years. Separation of power, which included a system of checks and balances over those in power in Washington, has all but disappeared. The political winds seem to be blowing us towards an Autocratic government, where the rule of law that has stood firmly in place in this country for centuries no longer is the law of the land.

We are however very fortunate to live under one of the greatest self-governing documents ever conceived by modern man; *our Constitution*. Although, the ideas and ideals for which it stands are in serious jeopardy should we continue down the path we are now on. Should we remain a divided nation, all that we stand for and have nurtured over the past two (2) plus centuries will be in jeopardy.

My contempt for Congress remains at its highest level. I feel, as many other do, that our elected officials continue to follow the money, instead of doing what is best (or right) for our country. And as the swamp in Washington continues to grow, and more self-absorbed, single minded, power hungry politicians take positions of importance in our government, we will continue to witness the largest money grab history has ever been witness to.

As I see it, the greatest damage done to our county in the past few years has been the continued erosion of the Middle Class. We have become a country of “have and have nots”. If you are part of the “haves” in our society, then you are able to deal with the uncertainties that are presented to us all each and every day. However, if you are part of the “have-nots” in this county, you are living “pocket to mouth”, facing difficult times with no end of the perilous ride in sight. It’s a life of uncertainty; a roller coaster ride with no exit ramp.

How much more will the American Public stand for before we have had enough of electing divisive, corrupt, mediocratic leaders? “Draining the swamp” was a great idea; we just elected the wrong person(s) to do the job!

Despite all of the problems and discord created in Washington these days, our county’s economy continues to prosper and grow. And now with what looks like the most “pro-business” tax package in many generations being put into place by Congress, I would anticipate that the country as a whole will continue to see economic prosperity for the next few years. At least until the recent tax cuts catchup to us in the way of a larger deficit. Whether that prosperity reaches down to ALL in this county is the “sixty thousand dollar” question at hand.

As I foresaw, the Republican controlled Congress has lowered tax rates for 2018, and the immediate future beyond. But in doing so, it looks like the biggest tax breaks will be achieved by the people that need them the least. The American public was anticipating (hoping, praying for) a tax bill that would offer a “new approach” to taxation; bring fairness and simplification to the taxation process which is in desperate need of overhauling. What we got instead was more of the same old “band-aid” changes to a broken-down system.

Notwithstanding the fact that many taxpayers on the lower income scale will no longer be required to file a tax return, for those that continue to do so, this coming year, 2018, will be a particularly difficult year to prepare for, as we see the biggest change to the tax code since my having been in the business. You will therefore want to pay special attention in the coming years to your finances and your financial equation even more than ever before. If you had a complicated return prior to the changes recently made, your return will likely be even more difficult than ever to complete.

Our elected politicians have little incentive to make a broad and sweeping change to a process (our present taxation system) that suits them very well. Until we remove the money from politics; until we dismantle the ability to create a professional career out of political service to our country; until the American public decides that they have had enough of this insanity, and we regain control of our future, we will be stuck in this endless circle of tax and spend; political corruption and waste.

The biggest winner in this new tax package (2018, and beyond) seems to be Corporate America. With a reduction of Corporate income tax rates from 35% to 21%, big business in America will be forced to pay far less in taxes, and therefore profits will increase without a substantial growth in revenues. Just what every CEO would ask Santa for Christmas! The pro-business tax package has already translated into a robust, bull market, sending the stock market soaring into new heights with the anticipate of bigger profits for shareholders. Nevertheless, quoting my wife, "There has never been a better time in the history of this country to ask your Boss for a raise".

As you may recall, I acquired a "new" building last year, and have recently moved my offices there. The building is located in East Cobb County, Marietta, Georgia. The address is: 137 Johnson Ferry Road, Suite 2145, Marietta, Georgia, 30068. For many of you located in the East Cobb area, it will be close by to your neighborhood. For those of you coming from other parts of the city, the Building has easy access from I-285, or Hwy. 400, and is just across the Chattahoochee River outside the Sandy Springs city limits. I look forward to seeing you at my new location this coming year!

As has been the case now for several years now, I will be accepting only a very limited number of clients (100) for the 2018 tax season. Once full, no other clients will be accepted for the year. As part of the restructuring of my business, I have placed a minimum charge of \$1,000.00 for all income tax return preparation services for you and your family members for this coming tax season.

That being said, I will remind you that the ultimate fees charged for your tax preparation services (or legal services) may differ from year to year due the amount of time spent, the complexity of your returns, and the liability associated with work we perform for you that particular year. Of course, I will continue to strive to keep the costs of your return preparation at a reasonable price value, as I have always done in the past.

Please take note that my billing rate for all services received will remain at \$400.00 per hour as it has been for the past six (6) years.

For those who feel that there have been changes in your life that make the use of my services cost prohibitive and find that you may need to look elsewhere for tax preparation services this coming year, I will be available (as I have always been) to give you direction and support. I continue to maintain relationships with several local CPAs and income tax professionals in our area that will be able to handle your income tax preparation needs and will be happy to introduce/refer you to them should you desire me to do so. I will also be available to assist you in the easy transition of your information should you find it necessary to look elsewhere for tax prep and consulting services.

Should you have any questions or concerns regarding the past restructuring of my practice and how it may impact you, or how this “new” tax code will impact the cost of my services provided in the future, please feel free to contact my office at your convenience. I will be happy to discuss these changes and how they might affect your particular tax services in the future.

As concerning my future in the tax business, it’s hard to tell right now with all of the changes to the industry that are taking place what the future holds for me (or this business). But for right now, your taxes will be handled as they always have been by my practice for the coming year!

On a personal note, I had a great year with a lot of excitement and changes for me and my family. More travel and family time were once again the highlight of my year. I have continued to strive towards my commitment to make the best of the “quality time” that I have left. However, our family did suffer a loss recently with the passing of my Mother-in-Law, Ethel Marx, to her lengthy battle with cancer. She will be missed by many!

Our BIG adventure this summer was a two (2) week extravaganza trip spent in Europe. Amsterdam, Germany, France, and Switzerland. Having not been to Europe as an adult, it was truly a magnificent adventure. We spent a week on a riverboat cruise going up the Rhine River, departing from Amsterdam and ending in Switzerland. Just a great way to see the heartland of Europe. After departing the boat (and leaving behind our family members), Renae and I stayed behind to enjoy the Swiss Alps; Interlochen, Grindelwald, the “Eiger”, Jungfrau, and Zurich were a few of the highlights. Another fabulous trip with many memories created.

Busy with building out and moving into my new office, taking care of family issues and other “new” ventures; we were homebound most of the balance of the year. Short visits to the desert (Las Vegas; our 2nd home) were had as well; but otherwise, another a relatively quiet, but fun year!

On that note, it is time to begin thinking about making your final year-end plans for your 2018 income taxes. With all of the changes to the tax code that are in place for this year (2018), the norms of the past have all changed. Charitable contributions, Roth IRA Conversions, payment of deductible medical expenses, and harvesting stock losses to offset gains or \$3,000 of ordinary income all remain techniques to reduce your taxable income, for some taxpayers. Unfortunately, many taxpayers will lose the ability to itemize their deduction due to a substantial increase in Standard Deductions under the new tax code.

Therefore, proper planning is more important than ever to maximize your results regarding yearend adjustments and actions. Please remember, however, that all of these things must be completed prior to the end of the year to be effective for 2018. Call me to discuss these (and other tax saving techniques) should you find the need to do so.

I continue to maintain close and personal relationships with financial advisors Daniel Kaufman and Glen Merritt, at both Merrill Lynch and Raymond James, respectively. Both provide the quality of service that I am very comfortable referring to my clients without question. Each has their special areas of concentration in the marketplace. Should you be interested in discussing your

financial investments with either one, please give me a call and I will make it happen for you!

In an effort to shorten my annual client letter, much of the information that I used to cover within my past letters (the state of our economy and taxes), will be forwarded to you in an email following sometime after your receipt of this, my 2018 Client Letter. I would encourage you to spend few minutes with the 2018 Tax Change summary, as there are MANY changes to the new tax code to learn and absorb. I will be sending you the 2018 Tax Change Summary (via email for most) within the next few weeks, so be on the lookout for it. Not only will the Summary review the tax code changes for the coming year, but it will also refer to some of the changes in the firm's processing procedures for this tax season.

I wish to thank you for your past business and the opportunity to be of service to you this coming year. Your continued business relationship is genuinely appreciated. I look forward to hearing from each of you in the very near future. Please enjoy a safe and happy Holiday Season and best wishes to you and yours throughout the coming New Year!

Mark J. Popkin