



FERGUSON WELLMAN

CAPITAL MANAGEMENT



Fourth Quarter 2012
Investment Outlook

A Closer Look at Upcoming Tax Changes

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2013 Tax Changes

2012 Tax Rates

Long Term Capital Gains – 15%

Qualified Dividend – 15%

Estate Tax Exemption - \$5 million

2013 Tax Rates

Long Term Capital Gains – 20%

Qualified Dividend – Ordinary Income

Estate Tax Exemption - \$1 million

New for 2013

The Medicare Contribution Tax



New 3.8 Percent Medicare Contribution Tax

Adjusted Gross Income

Over \$250,000 gross income, \$200,000 if you are single

Investment Income

Positive net investment income

Outcome

3.8% additional Medicare contribution tax on the lesser of the two income sources

Example:

For 2013, a married taxpayer has a AGI of \$300,000 and net investment income of \$100,000. The taxpayer would pay a 3.8% tax on the \$50,000 that exceeds the gross income threshold. Realizing an additional \$1,900 in Medicare contribution tax.

For 2013 a married taxpayer has a AGI of \$500,000 and no net investment income. The taxpayer would not pay any additional tax.



Questions or Comments

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