

This Weekly Newsletter
is brought to you by

HOOK LAW CENTER
Legal Power for Seniors

Tel: 757-399-7506
Fax: 757-397-1267

Locations:

Virginia Beach
295 Bendix Road, Suite 170
Virginia Beach, VA 23452

Suffolk
5806 Harbour View Blvd.,
Suite 203
Suffolk, VA 23435

***Get the Latest from
Hook Law Center***

On the Web: hooklawcenter.com

"Like" Us on Facebook

"Connect" with Us on LinkedIn

"Follow" Us on Twitter

This report is not intended as a substitute for legal counsel. While every precaution has been taken to make this report accurate, Hook Law Center assumes no responsibility for errors or omissions, or for damages resulting from the use of the information in this report.

© 2012 Hook Law Center
All rights reserved.

The Internal Revenue Service Announces An Increase In The Annual Gift Tax Exclusion

The Internal Revenue Service recently announced it has raised the limit on the annual gift tax exclusion; this change will give individuals more flexibility to make gifts during their lives in order to avoid the estate tax. Starting in 2013, the annual exclusion for gifts goes up to \$14,000 per recipient; it was previously \$13,000 per recipient. Spouses can combine their annual exclusions to double the size of the gift per recipient.

Considering the uncertainty of the estate tax exemption in 2013, this change is especially beneficial. Due to the "fiscal cliff," among other economic and political developments, it is possible that the new estate tax exemption will be lower. While we know what the federal estate tax rules continue until the end of the year, what will happen in 2013 and beyond is still unknown.

However, under current law the estate tax exemption is scheduled to drop significantly from \$5,120,000 in 2012 to \$1,000,000 in 2013. Moreover, the estate tax rate is scheduled to jump from 35% to 55%. The portability of any unused exemption between spouses will disappear. Thus, families with estate tax challenges are advised to consider leveraging the gift tax annual exclusion.

When considering which property should be transferred to avoid the estate tax, and how such property should be transferred, families should consider: 1) the asset's income tax basis and 2) how much an asset is likely to grow and when such growth will occur. Any growth that occurs subsequent to an inter vivos transfer will not be subject to the estate tax at the donor's death. Since the donor will no longer own the asset, it will not be in his gross estate.

The Internal Revenue Service Announces An Increase In The Annual Gift Tax Exclusion (con't.)

The Internal Revenue Code includes other unique opportunities for lifetime gifts which are not subject to the gift tax. The payment of tuition is an especially helpful way to transfer wealth from one generation to another without triggering gift tax. As long as payments are made directly to an educational institution, a donor can pay for a student's entire tuition without being penalized by the gift tax. Medical bills, if paid directly to the provider, are also not subject to the gift tax.

For more information about these and other opportunities relating to lifetime gifts, please contact the team at the Hook Law Center.



Hair Dryers and Dogs

Hook Law Center: Kit Kat, should hair dryers that are attached to cages be allowed for dogs?

Kit Kat: NO,NO,NO! I'm not usually this definite, but this is an easy one. Hair dryers for pets are fine when they are used appropriately. However, there have been many horror stories in which the hair dryers were attached to cages, and the unfortunate dog was injured or even killed. You wouldn't believe how quickly a little body can become overheated! As a result, New York State just passed a law in July 2012 outlawing the use of such heating equipment for pets in confined spaces like cages. New York is the first state to pass such a law, so congratulations to them are definitely in order. Apparently, they are used by dog groomers, especially in commercial businesses and at dog shows. They can still be used, but they can no longer be attached to the cage itself. A person must be using it, and actively working one-on-one with the dog. ([ASPCA Action](#), Fall 2012, p. 7)

Some alternatives to using a hair dryer would be to let the dog's hair air dry after it is washed. If there is not enough time to do that, the process can be speeded up by using several dry towels to blot the hair dry. It won't be completely dry, but it will be dry enough for the dog to move around a house or apartment without dripping. If you're like me, you never thought about the subject. Hair dryers don't seem to be dangerous, but like anything, if improperly used, they can become dangerous. I want to thank the ASPCA for publicizing this very important issue!



Happy Holidays for the Troops

Hook Law Center is happy to report that thanks to you, over **168 lbs of donated items** were collected and shipped to our troops for the holiday season.

Thank You!

Upcoming Events

- Hook Law Center is presenting a Veteran's Aid & Attendance Seminar at The Ballentine, 7211 Granby Street, Norfolk, VA 23505, tomorrow, **December 12, 2012 at 6 p.m.** To r.s.v.p., please call 757-440-7400 or 757-399-7506.
- Hook Law Center is presenting a seminar on Long-Term Care and Estate Planning at Lake Prince Woods, 100 Anna Goode Way, Suffolk, VA 23435 on **January 25, 2013 at 2 p.m.** To r.s.v.p., please call 757- 923-5500 or 757-399-7506.
- Hook Law Center will be speaking on the subject of Making an Elder Law Practice More Efficient at the VAELA Conference on **February 23, 2013** in Charlottesville, VA.



**This Weekly Newsletter
is brought to you by**

HOOK LAW CENTER
Legal Power for Seniors

Tel: 757-399-7506
Fax: 757-397-1267

Locations:

Virginia Beach
295 Bendix Road, Suite 170
Virginia Beach, VA 23452

Suffolk
5806 Harbour View Blvd.,
Suite 203
Suffolk, VA 23435

Get the Latest from Hook Law Center

On the Web: www.hooklawcenter.com

"Like" Us on Facebook

"Connect" with Us on LinkedIn

"Follow" Us on Twitter



Congratulations!

NOVEMBER'S FACEBOOK WINNER

Stephanie Smith

\$25 Starbucks Gift Card

HOOK
LAW CENTER