TAX DEDUCTABLE

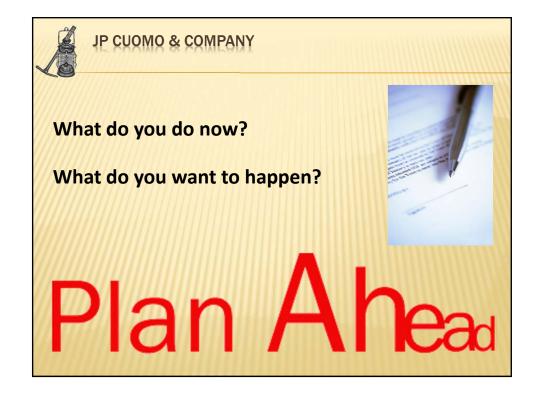
NATURAL GAS LEASE & ROYALTY FINANCIAL PLANNING STRATEGIES

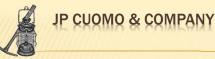
Preserving Wealth – Reducing Taxes
BOTH Now and Later

John P. Cuomo, CLU
Chartered Financial Consultant



JP Cuomo & Company





Family Issues

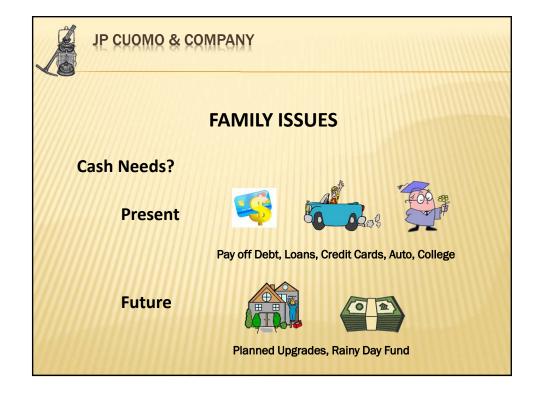
Avoid Common Mistakes

Evaluate Tax Impact

Estate Planning

Appraisal Issues

Creative Financial Strategies





FAMILY ISSUES

Income

Present or Deferred?

Retirement Plans

Coordinate with Pensions, IRA's, Keogh's



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Avoid Common Mistakes

Spontaneous & Emotional Spending Trips, Toys, Gifts Income Tax?





EVALUATE THE TAX IMPACT

Federal & State Income Tax Rate = 40-50%

Income Tax

 Gross
 Tax Due
 Net

 \$250,000
 \$100,000
 \$150,000

 \$500,000
 \$200,000
 \$300,000

Estate Tax

 Valuation
 Tax Due
 Net to Heirs

 \$5,000,000
 \$2,250,000
 \$2,750,000

 \$10,000,000
 \$4,500,000
 \$5,500,000



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Estate Planning

Limited Liability Company (LLC)
Family Limited Partnership (FLP)
Dynasty Trust



It is critical to use Professional Services Not a "Do it Yourself" process

PRESERVE WEALTH & REDUCE TAXES



Appraisal Issues

Non Producing
Producing
Gifting LLC/FLP
Charitable Deductions
Estate Tax





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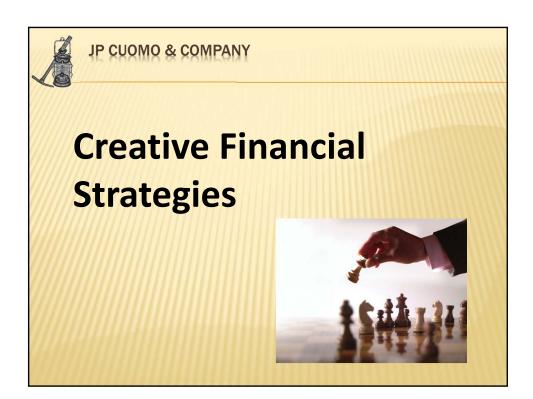
Identity Protection

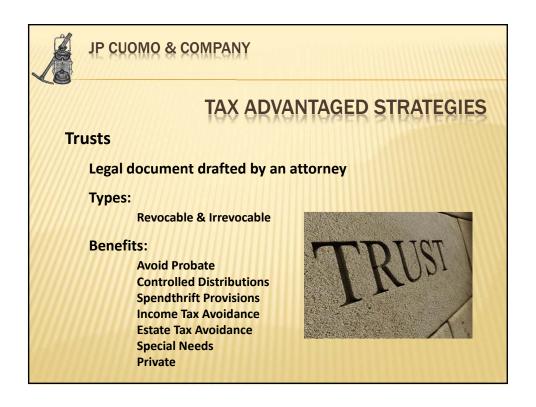


Where to invest

Permanent Life Insurance Fixed Annuities Low Risk Investments Hard Assets

Don't risk more than you can afford to lose!







TAX ADVANTAGED STRATEGIES

Social Capital

- 1. Family
- 2. Government
- 3. Charity

Choose 2

Reduced Taxes adds to Family & Charity

Result = Social Legacy = Doing Well by Doing Good



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TAX ADVANTAGED STRATEGIES

Charitable Remainder Trust (CRT)

Income Tax Deduction
Avoids Capital Gain
Lifetime Income Stream

CRUT

NIMCRUT

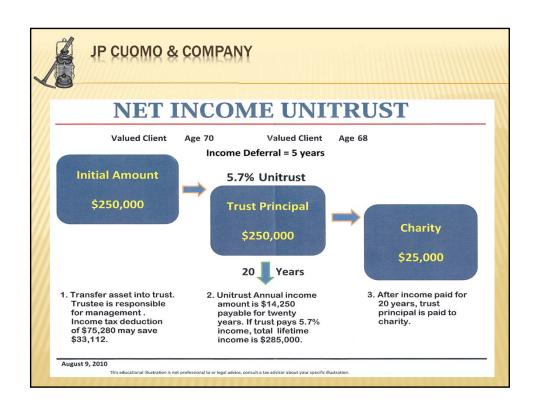
Lifetime Fixed Period

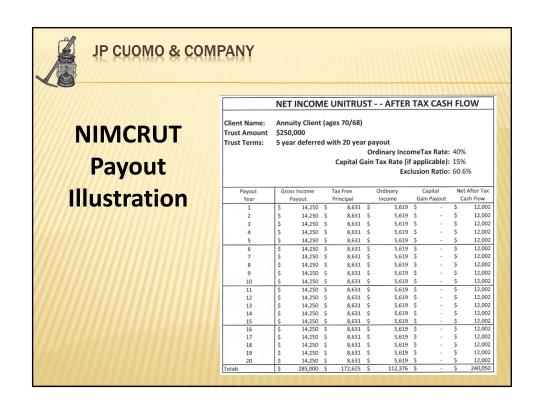
Immediate or Deferred

Immediate Income Tax Deduction

ILIT

Used to own Life Insurance to Pay Estate Taxes







The NIMCRUT Summary

Immediate Income Tax Deduction
Income for Specified Period
Reinsurance

25 Year Summary

All CASH \$500,000 Split 50/50 CASH & NIMCRUT \$250,000 / \$250,000

All CASH must earn 7.25% over 25 years (40% tax bracket) to equal the 50/50 Cash & NIMCRUT option...



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Financial Safeguards

Trustee should comply with state reserve requirements by maintaining segregated reserve funds in a *Master Trust Account* for the purpose of securing its planned giving obligations.

Investment Policy

Assets should be invested in accordance with the provisions of the "Uniform Prudent Investor Act". The following objectives are pursued in order of priority:

- Safety of Principal
- 2. Income

3. Liquidity

4. Growth

Reinsurance

Trustee obtains reinsurance to secure their obligation in order to minimize the investment risk associated with market volatility. All annuities are purchased from insurance companies rated at least "A" or better by A.M. Best.



Tax Deductible Education Funding

Children
Grandchildren
Relatives
Special Circumstances





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Spiritually Speaking...

Psalm 24:1 & 1 Corinthians 10:26

The Earth is the Lord's, and everything in it.

Psalm 33:7

He gathers the waters of the sea together as a heap; He lays up the deeps in storehouses.

Isaiah 58:6-7

⁶ "No, this is the kind of fasting I want... ⁷ Share your food with the hungry, and give shelter to the homeless. Give clothes to those who need them, and do not hide from relatives who need your help."



God's Plan for Abundant Resources...

Luke 6:38

"Give, and you will receive. Your gift will return to you in full – pressed down, shaken together to make room for more, running over, and poured into you lap. The amount you give will determine the amount you get back."

Isaiah 58:8

"Then your salvation will come like the dawn, and your wounds will quickly heal. Your godliness will lead you forward, and the glory of the Lord will protect you from behind."



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JP Cuomo & Company

1277 Taylor Road Owego, NY 13827

607-765-6011