
The 8 Most Important Tax Breaks of 2003!

Are you taking all the deductions you can under the latest changes to the federal tax law made this year? Most taxpayers don't even know about them!

*These new tax breaks are
revealed inside — yours FREE!*

PRST STD
U.S. POSTAGE
PAID
KIPLINGER



Kiplinger

1729 H Street NW • Washington, DC 20006

Important: Follow the advice on page one inside — and instantly reduce your income tax bill by \$6,480 this year*!

**For a married couple with a combined annual income of \$110,000. Your savings may be even more. See inside for details!*

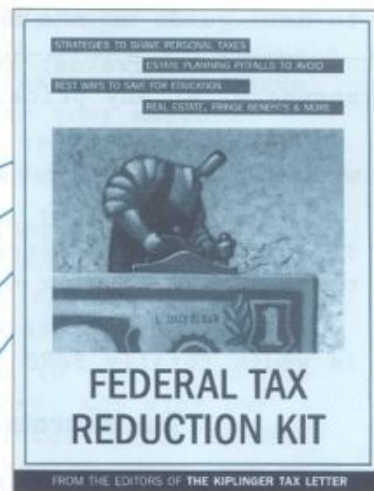
The 8 Most Important Tax Breaks of 2003!

Are you taking all the deductions you can under the latest changes to the federal tax law made this year?

The new 2003 edition of Kiplinger's *Federal Tax Reduction Kit* can make sure you are – and save you thousands of dollars in tax payments this year!

And now a copy is yours FREE when you mail the reply card enclosed...

- ▶ Limits on pay-ins to 401(k), 403(b), and 457 plans have been raised substantially. Business proprietors contributing to a one-person 401(k) plan can even sock away up to \$42,000 (see page 5 to determine your limit).
- ▶ Clever way to use your children as a substantial tax shelter. Perfectly legal deductions (p. 23).
- ▶ New tax change may permit you to deduct 100% of your medical insurance premiums. Find out if you qualify (p. 19).
- ▶ 5 ways to reduce your estate taxes. Make sure your heirs get your wealth instead of Uncle Sam (p. 29).



Dear Fellow Taxpayer:

It's the most important new tax change of 2003 ... yet a surprising number of taxpayers are not taking advantage of it:

You can now contribute up to \$12,000 to your company's tax-deferred 401(k) retirement plan this year (\$14,000 in some cases). So can your spouse.

For a couple in the 27% tax bracket, that's an immediate savings of \$6,480 that they can keep in their bank account – rather than writing a check to the IRS.

And that's just a sampling of the incredible savings you can enjoy under the recent tax laws.

Here's more:

- Want to multiply your deductions like crazy? Start a spare-time home-based business. But beware: only ONE type of

(Over, please)

corporate structure lets you apply business losses (common for start-ups) to reduce your personal income tax bill. Do you know which? Details on page 15.

- Paying your child's college tuition? New tax rule may allow you to deduct up to \$3,000 of the cost. Turn to page 25 and find out if you qualify.
- Can you legally take a deduction for your "home office" if you never see clients or customers there? Page 10.

Let's face it. Whether you're a taxpayer or a tax professional, there are so many recent and pending tax law changes that it's amazingly difficult – and incredibly time-consuming – to keep up.

That's why we have just released the new 2003 edition of Kiplinger's *Federal Tax Reduction Kit* – the most valuable and up-to-date guide to the new tax laws available today.

The bad news is: You cannot buy the *Federal Tax Reduction Kit* anywhere, at any price.

The good news is: I will send you a copy absolutely FREE, when you complete and return the reply card enclosed.

In return, all I ask is that you accept my invitation to try *The Kiplinger Tax Letter* – the nation's oldest and most respected tax advisory service – 100% risk-free.

By the way: Whatever you decide about our *Tax Letter*, the Kit is yours totally FREE – no strings attached!

Tax secrets the IRS doesn't want you to know

Since 1925, thousands of taxpayers – and tax professionals – have relied on the advice, news, and strategies in *The Kiplinger Tax Letter* to ...

... keep more of what they earn – reduce their tax liability to the minimum allowable under the law – steer clear of IRS agents – fly under the radar of the IRS computer system that targets taxpayers for audits – and stop overpaying on their federal and state income tax – both business and personal.

We do this by keeping you up-to-date on new and pending changes in the tax code, plus the best (legal) ways to exploit these deductions to your advantage.

Just look at what you missed in recent issues of *The Kiplinger Tax Letter* by not being a subscriber!

- The IRS audits a whopping one in ten taxpayers whose returns contain these common mistakes. Simple steps help you avoid being targeted.
- Your kids win a scholarship to college – from your employer. Do you have to pay tax on the income? Surprising answer.

- Investigators from the Joint Committee on Taxation just finished an audit of Enron's income tax returns, and it wasn't pretty. Will the fallout put an end to your tax shelters?
- Thinking of rolling over stock from your ESOP into your IRA? Here's why you should not.
- New loophole helps families claim education tax credits for sending kids to college even if the parents make more than \$83,000 a year.
- How old are you? Now you can withdraw money from your IRA without paying the 10% penalty, even if you are younger than age 59 1/2.

These articles all ran within the last year. Fortunately, as a subscriber, you get FREE password-protected access to an online archive containing all recent issues of *The Kiplinger Tax Letter* at our subscribers-only Web site. So you won't miss even a single tax-saving strategy! You'll also be able to read each *new* issue online - before it is printed and delivered to your mailbox.

Always current — never out of date

Based in the heart of Washington DC, Kiplinger's team of tax researchers and reporters has developed an unsurpassed network of government experts, tax attorneys, former IRS agents, financial advisors, and lawmakers.

These "inside connections" give us access to tax advice and intelligence unduplicated in any other advisory. And with our twice-monthly publication schedule, the tax intelligence in *The Kiplinger Tax Letter* is always fresh and current - never out of date.

Just look at what our research team has turned up for you lately:

- The IRS is making it easier for you to avoid tax when selling your main home. Exclude up to \$500,000 of your gain on the property when you follow these 6 simple rules.
- Did you win a lawsuit recently? A court lets you deduct your lawyer's fee right off the top.
- Defer income to next year, and you can pay less tax this year. Here are 10 smart strategies for reducing your *taxable* income to the bare bones.
- Why a Swiss bank account is no longer a haven for hiding assets offshore.

Will the tax-saving strategies in *The Kiplinger Tax Letter* really save you money? Yes. In fact, that is our promise to you.

No wonder hundreds of thousands of taxpayers and tax professionals over the years have relied on *The Kiplinger Tax*

(Over, please)

Letter to keep them up to date on the latest IRS news and changes to the tax code! And now you can, too.

Act now and save \$21

For a publication that guarantees to reduce your tax bill, the cost of a subscription to *The Kiplinger Tax Letter* is surprisingly modest.

The regular rate for a one-year subscription (26 bi-weekly issues) is \$59. But act now, and you pay only \$38 - a 35% savings.

At this price, you're essentially hiring Kiplinger's team of top tax researchers and reporters to keep tabs on the IRS for you all year long ... for the very reasonable "retainer" of just 10 cents a day.

My personal 100% money-back guarantee

Kiplinger stands 100% by the advice and research published in every issue of *The Kiplinger Tax Letter* with this ironclad guarantee of satisfaction:

If, at the end of your subscription term, you're not convinced that *The Kiplinger Tax Letter* saved you at least 2 to 10 times what you paid for it, just let me know.

I'll see to it that every penny of your subscription payment is refunded promptly. You keep all issues received, and keep your free copy of the *Federal Tax Reduction Kit*.

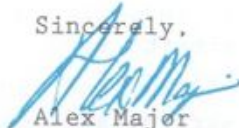
Obviously, I wouldn't make this offer if I were not absolutely certain your subscription to *The Kiplinger Tax Letter* will pay back its cost many times over.

But you are the final judge.

To start putting our winning tax-saving strategies in place, and pay MUCH lower taxes than you do today, just complete and mail the enclosed No-Risk Subscription Certificate today.

It will be one of the smartest investments you ever make. Again, I guarantee it - or your money back.

Sincerely,



Alex Major
For The Kiplinger Editors

P.S. Upcoming tax changes could reduce your income tax payment substantially this year. Complete and mail the enclosed reply card TODAY to be sure you don't miss these important tax-saving opportunities.

STANDARD MODEL OF FEEDING AND RESPIRATION

Alex is right, but ...

THE KILBURN HALL THE UNIVERSITY

Dear Fellow Taxpayer:

While everything Alex Major says in his letter is true, I did think of a few more reasons why you should accept his offer of a FREE *Federal Tax Reduction Kit*:

1. THE KIPLINGER NAME AND REPUTATION.

For more than 80 years, millions of readers have relied on us for advice and guidance in these matters.

2. ELIMINATES HOURS OF READING AND RESEARCH.

Our editors spend 50 hours a week reading tax legislation, dozens of tax publications, court decisions, and IRS rulings. Then we distill the important tax news into a concise 4-page bulletin. Average reading time: less than 15 minutes an issue.

3. SAVES YOU MONEY.

It costs us many thousands of dollars a month to research and write *The Kiplinger Tax Letter* twice monthly. Your cost: just \$1.46 an issue.

4. HELPS YOUR TAX TEAM GET A LEG UP ON IMPORTANT TAX ISSUES.

Clients tell us the forecasts in *The Kiplinger Tax Letter* are uncannily accurate – and that our tax-saving strategies keep them out of trouble and save them money.

5. PERSONALIZED SERVICE FOR EVERY CLIENT.

Our editors are available to our clients – and their tax professionals – by phone, fax, and e-mail to answer any tax-related questions you may have.

For your FREE Kit and risk-free issues, complete and mail the enclosed reply card today.

Sincerely,



D. Mack, Circulation Director

P.S. If you are not 100% satisfied, just cancel any time for a full refund. The Kit and any issues received are yours FREE, just for giving *The Kiplinger Tax Letter* a try.



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 194 HARLAN IA

POSTAGE WILL BE PAID BY ADDRESSEE

The Kiplinger Tax Letter

PO BOX 5113
HARLAN IA 51593-2613



**OUR RISK-FREE
100% MONEY-
BACK GUARANTEE**

If you are ever dissatisfied for any reason, simply cancel at any time during your active subscription and request a 100% refund of the price you paid for your current subscription term.

All issues and bonus reports received are yours to keep FREE – with no further cost or obligation of any kind.

**YOURS FREE –
Our Gift to You!**



*Save thousands in
taxes this year!*

**The Kiplinger Tax Letter
FREE Kit and Subscription
Request Form**

YES, please activate my risk-free, one-year subscription to *The Kiplinger Tax Letter* (26 bi-weekly issues) for only \$38 (regularly \$59 – you save \$21!) and rush me my **FREE** 2003 edition of the *Federal Tax Reduction Kit*.

If I am not 100% satisfied, I may cancel at any time for a full refund. The *Tax Reduction Kit* and all issues received are mine to keep free, with no further commitment of any kind.

Mail to:
The Kiplinger Tax Letter
P.O. Box 5113
Harlan, IA 51593-2613

Method of payment: VISA MasterCard Amex

Card No.

Exp. date

Signature (required for credit card orders)

Phone number (just in case)

- Check enclosed (payable to Kiplinger Tax Letter)
 Bill me later

4855022374

D358AA02

MR DENNIS KEAVENY
CAIN FOOD L P
PO BOX 347
AYER, MA 01432-0347

Please correct name and address if different than above:



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 194 HARLAN IA

POSTAGE WILL BE PAID BY ADDRESSEE



The Kiplinger Tax Letter

PO BOX 5113
HARLAN IA 51593-4613

