



HWGSB News & Views

Hasselberg, Williams, Grebe,
Snodgrass & Birdsall
Attorneys and Counselors

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MEET OUR NEW ATTORNEY



David B. Wiest

We are pleased to announce that DAVID B. WIEST has joined our firm. David was born and raised in Mapleton, Illinois, and attended Illini Bluffs High School. He graduated *magna cum laude* from the University of Illinois in 2007 with a degree in economics. In 2010, David graduated With Distinction from the University of Iowa College of Law, where he was a Contributing Editor of the University of Iowa Law Review and a three-year elected representative on the Iowa Student Bar Association. On November 4, 2010, David was sworn in as a licensed attorney and counselor by Illinois Supreme Court Chief Justice Thomas L. Kilbride.

He is a member of the Illinois State Bar Association and the Peoria County Bar Association, serving on the Young Lawyers Committee, the Pro Bono Committee and the Communications and Technology Committee. David also participates in Young Professionals of Greater Peoria.

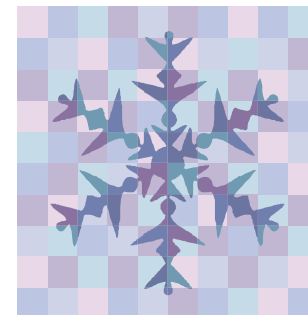
David practices in the areas of workers' compensation and insurance defense, commercial litigation, and estate and tax planning.

THE TAX RELIEF, UNEMPLOYMENT INSURANCE REAUTHORIZATION, AND JOB CREATION ACT OF 2010

A long period of uncertainty relating to several tax related issues came to an end when President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 into law. Under the Act, the income tax rates that were introduced in the Economic Growth and Tax Relief Reconciliation Act of 2001 have been extended through the 2012 tax year. The income tax brackets for the next two years will continue to be 10%, 15%, 25%, 28%, 33%, and 35%. These income tax rates had been set to return to pre-2001 levels at the end of the 2010 tax year. The capital gains and dividends rates which were also set to increase have likewise been extended until 2012. (Continued on Page 4)

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Inside this issue:

**Attorney Dave
Wentworth
Appointed to
Illinois Supreme
Court Commit-
tee** **Page
2**

**Include Pets in
Your Estate
Planning** **Page
2**

**IRS Booklets
On-line** **Page
2**

**Capital Gains
Regulations** **Page
3**

Special Points of Interest:

- Contact our law firm for tax assistance
- Reporting requirements for brokerage firms



DAVID WENTWORTH TO CHAIR SUPREME COURT COMMITTEE FOR THIRD DISTRICT

Effective January 1, 2011, Attorney David L. Wentworth, II, a partner in the firm, was appointed Chairperson of the Committee on Character and Fitness for the Third District of Illinois. The appointment was made by the Illinois Supreme Court and runs until December 31, 2012. The Committee on Character and Fitness evaluates the moral character and general fitness of applicants to practice law. The Third District covers twenty-two counties, including Peoria and Tazewell. Attorney Wentworth has been a member of the Committee since March of 2001.

IRS DISCONTINUES MAILING OF INCOME TAX RETURN BOOKLETS

For many, the receipt of their income tax booklet in the mail from the IRS has traditionally been the signal to begin the process of preparing their income tax returns. If you are one of these people, be aware that this tradition has ended. Beginning this year, the IRS will no longer be sending taxpayers the booklets which contain the commonly used tax forms and instructions. The forms and instructions are available online at www.irs.gov and hard copies can be obtained at IRS offices and participating libraries and post offices.

If you would like assistance with the preparation of your income tax return, or if you have any other tax related questions, please contact James R. Grebe, John G. Dundas, or Michael P. Roush at (309) 637-1400.

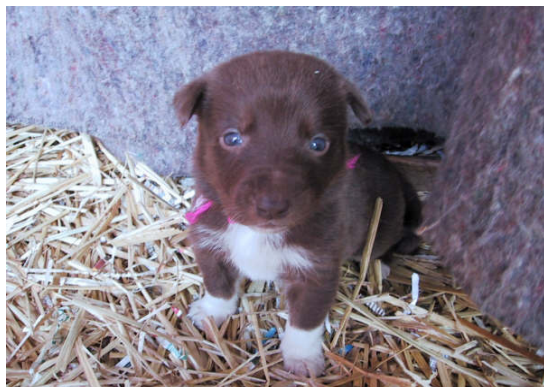


Photo of Patches: submitted by Attorney Alison McLaughlin

DON'T FORGET KITTY AND FIDO: ILLINOIS LAW ALLOWS FOR ESTATE PLANNING TO INCLUDE PROVISIONS FOR PETS

Dialog from the movie, *Midnight in the Garden of Good and Evil*, regarding a man seen walking a leash with a collar, but no dog:

- I know I'm going to regret asking, but that man said he was walking a dog. What dog?
 - Mr. Glover was the law firm porter. Mr. Bouhan said in his will that Mr. Glover should continue to be paid \$15 every week for walking Patrick, his Labrador.
 - So, where's Patrick?
 - Patrick went on to his great rewards 2 years after Mr. Bouhan, about 1974.
 - The dog's dead?
 - Quite.
 - Why doesn't Mr. Glover walk Uga?
 - Well, then, who'd walk Patrick?
- © Warner Bros., 1997

According to the American Pet Products Association, Americans spend upwards of \$50 billion each year on their pets. That number might seem high at first glance, but the explanation for such spending is simple: we love our pets! Often, the household pet is as big a part of the family as the people in our lives. We spend money to take care of those we love, whether it's a 17-year old son or a 5-year old German shepherd.

But prior to 2005 it was difficult in Illinois to provide for pets during the estate-planning process as the law did not allow for the creation of a trust that provided for animals. Thus, there was no formal method for setting aside money to care for your pet after death. Fortunately, the Illinois legislature passed a law changing this limitation.

Under the Illinois Pet Trust Act, you can create a trust that will ensure your pets always have what they need. Pet trusts are similar to other trusts: first, you create a trust document that specifies who you would like to care for your pet; second you set aside a fund to provide for your pet; and third, you name a trustee that will manage the pet's fund. An attorney can ease the process of creating a pet trust, and help ensure that all of your loved ones are provided for.

If you would like more information about pet trusts or have any other questions about estate planning, please contact James R. Grebe or David B. Wiest at (309) 637-1400.



NEW REGULATIONS AFFECT THE REPORTING OF CAPITAL GAINS

New regulations that came into effect on January 1, 2011 change the reporting requirements for brokerage firms regarding the sale of securities on behalf of their clients. Previously, many brokerage firms would only report gross proceeds from the sale of securities on their clients' Form 1099. Under the new regulations, brokerage firms will be required to track and report the cost basis and holding periods of securities sold.

The identification of the securities sold becomes an issue when an investor owns multiple lots of a security which were purchased at different times and for different prices, and only sells a portion of the shares owned. Most sales of securities are treated on a "first in, first out" basis, under which the stocks which have been owned the longest are deemed to be those sold first. This is the default option under the new regulations. However, an investor may choose to deviate from this option and specify different shares to be deemed sold. Under the new regulations, if an investor does not want a sale of a security to be treated on the "first in, first out" default option the investor must inform the brokerage firm which shares are to be deemed as sold by the date of delivery or the date set for delivery by the SEC, whichever is earlier. The brokerage firm must also confirm the investor's election in writing. Although not required under the regulations, most brokerage firms will likely accept standing orders for the treatment of an investor's sales of securities. Other common treatments include the "last in, first out" option under which the most recently purchased shares are deemed to be sold first, and the "highest in, first out" option under which the shares with the highest purchase price are deemed to be sold first.

Your choice as to the treatment of the sale of your securities can have a large impact on your tax burden. If you have any questions regarding the taxation of your capital gains, or any other questions relating to your taxes, please contact James R. Grebe, John G. Dundas, or Michael P. Roush at (309) 637-1400.

HASSELBERG, WILLIAMS, GREBE, SNODGRASS & BIRDSALL IS AVAILABLE TO ASSIST YOU IN THE PREPARATION OF YOUR INCOME TAX RETURNS

Hasselberg, Williams, Grebe, Snodgrass & Birdsall takes pride in being a full service law firm which can serve its clients in a wide variety of legal matters. This includes assisting our clients on tax related issues such as income tax return preparation, tax advice and planning, and representation in contested matters before the IRS. The firm prepares annual tax returns for many individual, business, and fiduciary clients.

If you would like us to assist you with your tax preparation, or if you have any tax related questions, please contact James R. Grebe, John G. Dundas, or Michael P. Roush at (309) 637-1400.





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Hasselberg, Williams, Grebe, Snodgrass & Birdsall is a 13-attorney full service law firm with individual lawyers concentrating in particular areas of the law. The firm serves clients throughout the State with a focus on Central and Southern Illinois. Practice areas include: Federal Taxation, Litigation, Wills, Trusts and Estates, Probate, Elder Law, Estate Planning, Insurance Law, Real Estate, Personal Injury, Worker's Compensation, Agricultural Law, Corporate Law, Governmental Law, Administrative Law, Commercial Law, Criminal Law, DUI/DWI, Traffic Violations, Labor and Employment, Family Law, Adoption Law, Bankruptcy, Zoning, Planning and Land Use and Real Estate Title Insurance.

TAX RELIEF ACT (continued from Page 1)

Taxpayers in the 10% and 15% tax brackets will continue to pay no taxes on capital gains and qualifying dividends, and the applicable capital gains and qualified dividend rates for those above those brackets will remain at 15%.

In addition to avoiding an increase in taxes, taxpayers will see less taxes taken out of their paychecks in 2011 for Social Security than in previous years. Normally, both an employer and employee pay 6.2% of an employee's first \$106,800.00 of income in Social Security tax. Although this amount remains the same for employers, the Act provides for a one year "holiday" which reduces the employee's rate to 4.2% for the 2011 tax year. The employee's rate will return to 6.2% in 2012.

The Act has also provided long awaited answers regarding the Estate Tax. As discussed in prior newsletters, the Estate Tax had been eliminated entirely for 2010, but was set to return in 2011 at the rate of 55% of portions of estates in excess of \$1,000,000.00. Under the Act, the top Estate Tax rate for 2011 and 2012 will be 35%, and will apply to portions of estates over \$5,000,000.00 per person. For the estates of some who died in 2010 the Estate Tax contained in the Act would be preferable than being subject to the limit on the step up in basis that accompanied the repeal of the Estate Tax for last year. The Act allows estates to choose whether to be treated under the provisions of the Act or the pre-Act law.

The Act contains many other provisions which may affect your tax liability. If you have any questions relating to the Act, or if you have any other questions relating to your taxes or estate planning, please contact James R. Grebe, John G. Dundas, or Michael P. Roush at (309) 637-1400.

NOTICE: IRS CIRCULAR 230 DISCLOSURE: Under regulations issued by the U.S. Treasury, to the extent that tax advice is contained in this newsletter, you are advised that such tax advice is not intended or written to be used, and cannot be used by you, or any party to whom this correspondence is shown, for the purpose of avoiding penalties under the Internal Revenue Code, or promoting, marketing or recommending the tax advice addressed herein to any other party.

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