

Tax ideas. Most of these ideas are all meant to reduce the complexity of personal taxes.

Wash sale rule: This rule probably cost more time and money to monitor and comply with than the government makes off it. Either the short term losses are just deferred or with the clever use of similar investments people can get around it. But why make investors have to game the system and pay their CPA's and brokerage firms to figure it all out. Get rid of it.

Loss carry forward: The net loss investors can claim has been stuck at \$3,000 for a long time, maybe 20+ years. Why not increase it to \$5k or \$10k. I know this would cost the government money in the short term but it just seems fair. I still see some people trying to use up losses from the last 90's. As an alternative idea how about letting people offset losses by doing a ROTH conversion. Apply the converted amount against the carry forward loss.

SIMPLE IRA's: There are two items I would like to see "simplified" with the SIMPLE. The first is the 25% penalty for closing the account within the first two years. Why should this be any different than a 401k, 403(b), IRA etc. They all only have a 10% penalty, lets make them all the same. Also, why can't money be rolled into a SIMPLE? Maybe because of the 25% rule. I am all for anything that reduces clutter and makes it easier for an investor to manage and save them money. Generally if someone has a SIMPLE that has only been opened for two years or less it is small. What happens now is they have to maintain that account or get hit with extra fees. But while it is open they may be paying extra brokerage fees for maintaining the account. No reason for this rule, eliminate it.

ROTH IRA Phaseout: Right now a married couple with AGI above \$183k starts to lose the ability to fund a ROTH and by 193k completely loses out. I think this should be either eliminated entirely or at least moved up significantly. Some clients may actually choose a ROTH vs more funding for a 401k or deductible IRA just to have more flexibility. So the IRS may not actually lose a lot of money. As a compromise I would be in favor of a five year distribution from an inherited ROTH. I think the main concern in Washington is that wealthy families could build up large ROTH IRA's that last multiple generations. With the loss of pensions the government should be doing everything to encourage more savings.

Short term vs long term gains: Why the different rate? I think this rule hurts small investors more as they are more likely to own mutual funds that incur more short term gains and are not as likely to be able to set aside money in stocks for long periods of time.

