

On the [MONEY]

Registered Investment Advisor

www.VintageFS.com

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From the Grapevine...

Oops! If you read this column in our last issue that came out in early December, we discussed that we'll be expanding our office. Initially we thought we'd pick up some additional space in our current building but in December we changed course and have decided to move our offices out of downtown Ann Arbor. See more on page two.

With our move out of downtown we won't host the Top of the Fair event with the Ann Arbor Art Fairs this year, but we do have other events planned. See page two for the upcoming dates.

In our new, larger offices we'll be adding more staff to keep up with the growth in our clientele. If you know anyone interested in working in the wealth management area, we're hiring both experienced and entry level people. Have them contact Jack McCloskey at our office to learn more about the positions available.

KEEP YOUR GUARD UP!

It seems that every week there's another announcement of a technology breach that exposes our online access credentials or important personal information to the cybercriminals that are looking for it. While having complex passwords, different for each site, and changing them periodically is a good defense, there are other ways that criminals will seek to steal from you.

Spear phishing is when someone e-mails you and tries to get your personal information like log in credentials, Social Security numbers, bank information or other items they need to access your funds. Look carefully at the e-mail for sites that are misspelled (bankofanericana, for instance) and don't click on any links that aren't secured with an https, rather than just http, address. If you aren't expecting the e-mail, don't click the link. Visit the site directly or, if possible, call to verify its authenticity.

Even offline there are many ways that scammers will attempt to get your information. Be leery of phone calls and know that caller ID may not be giving you the correct number. And, even though many people don't get much important mail in their physical mailbox anymore, make sure to check it regularly as we've had clients get scammed by having their mail stolen. If you're older or have elderly parents, keep in mind that they are prime targets for these types of criminals. Try to educate them about the risks and, if possible, help keep tabs on their finances to help protect them.

WE'RE MOVING OUR OFFICES!

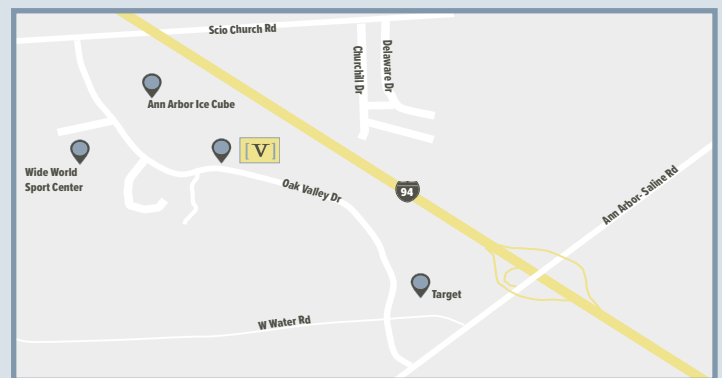
We're excited to announce that we'll be moving our offices in May of this year. We've spent the past 13 years in our current location and about 29 of our 34 years in business with a downtown Ann Arbor Main Street address. We'll miss the downtown restaurants but not the expensive and increasingly sparse parking. We think our clients will also like the large, free parking lot with a couple spaces reserved exclusively for them.

Our new offices will be in a brand new building on Oak Valley Drive called Park Place 5. It's located just south of Scio Church Road by the Ann Arbor Ice Cube and behind and north of the Target on Ann Arbor-Saline Road near I-94. The address is 2373 Oak Valley Drive just south of the Ann Arbor library's Pittsfield branch and across the street from Arbor Hospice.

We've been working out floorplans and the design and construction is underway. The new

building houses a real estate firm, a couple tech companies and likely a marketing firm that will take the entire second floor later this year. Our offices will take most of the front half of the first floor with about twice the space that we currently have downtown.

We'll keep you posted on our move date and new mailing address and will update our website with directions. And we'll likely have an open house later in the year to show off the new space.



MEET OUR AWESOME INTERNS

Over the years we've had a number of interns that were happy to gain some great experience and help us out with various projects. Many have gone on to successful careers in financial services and even run their own investment firms. Often we were able to get them for free, but the market has changed and they are now well paid.

In December, we hired two interns, Nina Di Mauro and Hector Arvizu and they've been very busy supporting our tax team this year.

Nina will graduate from Eastern Michigan University in May with a major in Mathematics and a minor in Accounting and a stellar GPA. She

has way too much personality to be an accountant and also has some great people skills that she developed working in the restaurant industry for a couple years in Saline, her home town.

Hector will graduate from the University of Michigan in May with a degree in Economics. He was both president and finance chair of his fraternity, Sigma Lambda Beta and boxed with the U of M Boxing Club. He was born in Mexico but moved to the US at age three and grew up in Grand Rapids.

SNOWBIRD TAX SAVINGS

Have you had enough of winter? Are you looking forward to spending more time in southern states in the coming years? In addition to warmer weather and sunnier skies, some states have no income tax. If you spend enough time there, you may be able to get some tax savings to help fund your extended winter stay.

Today there are just seven states in the US that don't have an income tax. The warmer ones include Florida, Texas and Nevada and we've had clients retire to all three, at least on a part time basis, and eliminate their Michigan state income tax. If you want to spend winters in the warmer south and summers in Michigan you can escape the state income tax, but it's tricky.

Some of our snowbird clients have bought a second home in Florida, Texas or Nevada while others look for a place that they can rent for several months. In order to avoid Michigan income taxes, you need to establish your domicile in another state. Since you may have two residences, you'll need to convince the Michigan taxing authorities that you have truly moved to another state.

One of the primary ways of establishing another state as your domicile is to spend at least half of the year there. Different states have different requirements, but this is a good place to start. It's important to document your time in the other state with flight records, landline telephone bills, restaurant receipts or other documents that prove the dates that you lived there. Some people think that this is all you need to do, but the taxing states will look at your intent to actually live in the other state.

Additional steps you can take include changing your voting registration, driver's license and registering your car in the tax free state. Also change your mailing address for bills and other mail to your new state and then forward mail back to Michigan in the summer. Find a doctor, dentist, hairdresser and other professionals in the new state. And don't forget to consider that the new state's estate tax laws will pertain so you'll want to update your will

and/or trusts to reflect differences in the new state's laws.

Avoiding the state income tax can be helpful, especially if you have a high income, but you may find that you'll lose out on another tax break. If you own a home in Michigan, you're property taxes are significantly reduced for your primary residence. If you move to another state, you can no longer "homestead" your Michigan home and the higher property taxes may offset much of the income tax savings.

Another consideration is if you plan to sell your Michigan home after establishing your domicile in another state. Federal tax laws allow you exclude a gain of up to \$250,000 (\$500,000 for a couple) on the sale of your primary residence. If it's no longer your primary residence then you can't take the exclusion and may pay substantial federal capital gain taxes on the sale.

Some people that change their state of residence decide to establish the date as January 1 to simplify the filing of state income taxes. This may avoid filing a partial year state tax return and allocating income to the two different states, but it raises a red flag to the state taxing authorities as few people actually move on January first.

As with all things tax related, the laws are complex and you'll want a tax expert to help you through the details of your situation. Feel free to contact our tax team at Vintage for issues like this or other taxing questions.

UPCOMING EVENTS

- March 14th—We'll host another event at the Ann Arbor Art Center's 117 Gallery.
- June 21st—We'll have a big tent at the Ann Arbor Summer Festival.
- September?—An open house at our new offices.
- We're also sponsoring the Art Center's Art Bus tour this summer. Contact us to learn more.

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