

# PUBLICATION

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## Personal Tax Planning Just As Important As Ever

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As widely reported, substantial changes to the Internal Revenue Service Code are being discussed and debated within various corners of Congress as part of President Biden's infrastructure and spending plans. Even though these discussions have been ongoing for some time, the unpredictable politics of this current situation simply prevent any solid forecasting for tax planning purposes. Even if reliable reconnaissance was currently available, the effective date for any tax-related enactments (that is, prospective from a certain date, retroactive to an earlier date, or otherwise) is still elusive.

### Circumstances Requiring Your Attention

Despite this uncertainty, and as year-end approaches, it is most important that you give consideration to your own personal tax planning based upon your individual circumstances. For instance:

- Should you have timing flexibility for purposes of recognizing income and incurring expenses, consider retaining such flexibility as long as possible this calendar year so that, if needed, and depending upon Congress's final tax bill, certain income can be recognized in 2021 which might otherwise be recognized in 2022 when a higher tax rate might then apply, and certain expenses can be incurred in 2022 that might otherwise be incurred in 2021. The reverse might apply if rates are not increased.
- If your income and/or estate circumstances have changed materially, consider talking with your tax professional immediately so that options can be timely considered well before calendar year-end.
- Even if your income and estate circumstances have not changed materially, but you anticipate potential changes in 2022 impacting your personal circumstances, again consider contacting your tax professional so as to begin the process of addressing helpful options.

### Proposed Build Back Better Act

Legislation involving tax policy changes, the "Build Back Better Act," was released by the House of Representatives on October 28, 2021. Modifications to this legislation were made by the House Committee on Rules on November 3 and November 5. Congressional negotiations are ongoing, and Congress will likely make changes to this legislation. We currently understand that this legislation as written may have the votes needed to pass in the House but it is uncertain as to the votes in the Senate.

As soon as we are confident that any proposed legislation appears to have sufficient votes to pass Congress, we will provide overview information and commentary regarding the pertinent tax provisions.

### Focus on Year-End Planning

In the meantime, please evaluate your individual circumstances to determine if calendar year-end planning should be considered. For assistance with your tax planning, please contact any member of the Firm's [Tax Group](#). We would be privileged to assist you.

