

# Tax Expert Tom Wheelwright uncovers 5 Reasons President Obama Tax Plan will not Launch

Search InvestCenter

By: [Mad Vine Media Financial Content](#) via [News | Top US PR News](#)

January 22, 2015 at 03:00 AM EST

Tax Expert Tom Wheelwright uncovers 5 Reasons President Obama Tax Plan will not Launch

*In response to the State of the Union address tax reform proposal, Tom Wheelwright, CPA and CEO of ProVision Wealth, provides commentary with 5 reasons President Obama's proposed tax plan will not launch.*

Tempe, Arizona (PRWEB) January 22, 2015



Best-Selling Author of "[Tax-Free Wealth](#)", CPA and CEO of [ProVision Wealth](#), Tom Wheelwright, uncovers five reasons the State of the Union tax proposals from the White House are likely to see major pushback from a large segment of the public, especially those in the Republican Congress and Senate. Mr. Wheelwright worked for Ernst and Young's National Tax Department in Washington, D.C during the last major tax reform in 1986, and sees more complications versus real tax reform in these proposals.

In preparation for Tuesday's State of the Union address, the White House outlined changes to the tax law that President Obama would like to see enacted this year. [Tom Wheelwright](#) explains, "Unlike his stance during the mid-term elections, the President no longer seems focused on broad-based tax reform. Instead, the proposals include a number of very specific tax increases that, for the most part, continue to complicate the tax law."

Here are five reasons why Mr. Wheelwright believes proposed tax plan will not launch.

1. Capital Gains Tax increase will push more money offshore – The U.S. already has one of the highest tax rates in the world on its corporations. For this reason, many corporations are pushing money offshore in order to defer the taxes on that money and are keeping it offshore rather than returning it to shareholders through taxable dividends or investing it in U.S. production. However, the White House wants the taxes on U.S. corporations to be increased even further through an increase in the capital gains tax on dividends and stock transactions. The result will be even more of the same.

2. Capital Gains on Inheritance would tax real estate gains immediately – President Obama is calling this the "trust fund" loophole that needs to be closed. This change would impact EVERYONE with any significant assets. Currently, anyone with less than \$5,430,000 in assets at the time of death (twice that if married), doesn't have to pay a transfer tax (estate tax) on the value of their assets. In addition, any untaxed gain in those assets gets permanently relieved. Tom Wheelwright explains "This change could be devastating to a lot of people who rather than short sale a rental properties, did the "right thing" and continued to pay the mortgage in hopes that the real estate market would rebound. Instead, Mr. Obama wants children and/or the widow to pay a tax on a gain the original owner didn't ever receive and with money the beneficiary cannot get from the property. This change is hardly a break for the middle class who did most of the real estate investing in 2005-2007."

3. Marriage Penalty Relief is minimal – Tom Wheelwright comments, "This proposal is hardly any relief at all. Prior to Mr. Obama taking office, the marriage penalty (the additional tax paid by two earners who got married

and ended up in a higher joint tax bracket) had evaporated. Mr. Obama brought it back. Now, Mr. Obama's attempt to reduce the penalty is to give a \$500 credit for 2-earner couples. This credit is not much of a benefit compared with the potential \$34,000 additional tax the couple could pay simply by getting hitched."

4. Forced IRAs for Employees hurts small business and investors – Based on 20+ years of tax experience, Tom Wheelwright believes this is one of the worst proposals ever. Tom explains, "It forces any employer with more than 10 employees to automatically enroll employees into an Individual Retirement Account. IRAs are bad tax planning in the first place, as IRAs encourage people to delay paying taxes on income until a later year when retired, have fewer deductions and likely have a higher tax rate (unless the individual retires poor). In addition, IRAs are qualified plans, which means the government effectively has control over them. The government controls the amount individuals can invest in IRAs, when investors can take it out without penalty, what to invest in and charges a penalty for withdrawals before turning 59 ½. And individuals must start taking money out at 70 ½. All in all, IRAs are a poor way to invest. This requirement is just one more burden on small business."

5. Proposals do not reduce the complexity – Both the House and the Senate tax committees are serious about major, broad-based tax reform, similar to the reform under President Reagan in 1986. The proposals presented by the President do nothing to reduce the complexity of the tax law and put some serious new taxes on the middle class. For this reason, it's unlikely that many of these proposals will gain any serious ground in Congress.

It would be much better to have a real discussion about corporate tax reform and marriage penalty relief, along with a broadening of the tax base and fewer special tax benefits.

For a timely interview, please contact  
Liz Kelly  
Goody PR  
310-987-7207

About: Tom Wheelwright, CPA and CEO of ProVision Wealth (Tempe, Arizona), is a leading tax and wealth expert, speaker, published author of "Tax-Free Wealth" (#1 on Amazon in Corporate category) on partnerships and corporation tax strategies, and a [Rich Dad](#) Advisor/Speaker for Robert Kiyosaki, who wrote Rich Dad Poor Dad. Donald Trump selected Tom to contribute to his Wealth Builders Program, calling Tom "the best of the best." He is best known for making taxes "fun, easy and understandable," and specializes in helping entrepreneurs and investors build wealth through practical and strategic ways that permanently reduce taxes. He is also the Founder of [WealthStrategyU](#), and has been featured in Accounting Today, Deseret News National, and CEO Blog Nation, and as a guest on the Real Estate Guys Radio Show and Money Radio 1510 Business for Breakfast. <http://taxfreewealthadvisor.com>

---