

September  
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# ESPARZA GROUP



QUARTERLY NEWSLETTER



## VINCE'S VIEW

INFLATION  
REDUCTION  
**ACT:**  
WHAT YOU  
SHOULD KNOW

**RECIPE:**  
WHITE BEAN  
CHICKEN CHILI

## AMERICAN PORTFOLIOS AND ADVISOR GROUP MERGER

American Portfolios is excited to announce that it will be joining forces with Advisor Group. All clients with a TD Ameritrade account will be receiving this communication in the mail along with a confirmation letter to be returned to American Portfolios.

*As a reminder, there will be no changes made to your accounts or how it is managed. Vince will continue to be your advisor and the Esparza Group will continue to be here for all your financial needs. If you have any questions, please do not hesitate to contact us.*

**HAVE A FAMILY  
MEMBER OR  
FRIEND  
CONCERNED  
ABOUT OUR  
CURRENT  
ECONOMY?  
LET THEM  
KNOW VINCE IS  
ALWAYS HERE  
AND HAPPY TO  
HELP!**



## VINCE'S VIEW

Where did 2022 go? We've all experienced lots of economic volatility, high inflation, interest rate increases, high fuel costs and groceries, to name a few. While I wish I had a "crystal ball" to predict the future, I will predict that as Americans we always seem to pull through. We will get through these times together.

### A Few Bits For You:

**Inflation Reduction Act** Signed into law on August 16, 2022. What you should know – this includes health care and energy related provisions; IRS funds plan a new corporate Alternative minimum tax on certain corporate stock by backs. If you would like to know more, please see attached article.

**Planning Tips:** Our Retirement Income Software has many new features to improve and optimize your Retirement planning. This enforces our ability to assist you with most of the contingencies that come with retirement planning. Many changes have occurred with IRA's, Roth IRA's beneficiaries that affects legacy planning. Be sure to schedule a review to discuss your current plans and all the contingencies that could affect your retirement; such as taxes, Social Security, inflation market fluctuations, and one of the biggest risks: longevity.

**Bucket Lists:** I truly love to hear what my clients, AKA, friends are doing in retirement, from home remodeling, golfing, volunteering, traveling, it brings me joy that they are enjoying life. There is an old saying; "that you should live for today but plan for tomorrow!" Many of you have taken this to heart, you have "Bucket Lists", which is by the way is a great movie. As you approach your annual and future planning, be sure to create these lists. It is a great motivator and big reason to really live and enjoy life. BTW on my bucket list was to learn to play guitar and as of the writing of this newsletter, I am learning my first Elvis Presley tune!

As the holiday season approaches us, we wish you a wonderful season, filled with Laughter, Joy, Cheer and Good Health!

God Bless,

Vince



## Inflation Reduction Act: What You Should Know

The Inflation Reduction Act, signed into law on August 16, 2022, includes health-care and energy-related provisions, a new corporate alternative minimum tax, and an excise tax on certain corporate stock buybacks. Additional funding is also provided to the IRS. Some significant provisions in the Act are discussed below.

### Medicare

The legislation authorizes the Department of Health and Human Services to negotiate Medicare prices for certain high-priced, single-source drugs. However, only 10 of the most expensive drugs will be chosen initially, and the negotiated prices will not take effect until 2026. For each of the following years, more negotiated drugs will be added.

Starting in 2025, a \$2,000 annual cap (adjusted for inflation) will apply to out-of-pocket costs for Medicare Part D prescription drugs.

Starting in 2023, deductibles will not apply to covered insulin products under Medicare Part D or under Part B for insulin furnished through durable medical equipment. Also, the applicable copayment amount for covered insulin products will be capped at \$35 for a one-month supply.

### Health Insurance

Starting in 2023, a high-deductible health plan can provide that the deductible does not apply to selected insulin products.

Affordable Care Act subsidies (scheduled to expire at the end of 2022) that improved affordability and reduced health insurance premiums have been extended through 2025. Indexing of percentage contribution rates used in determining a taxpayer's required share of premiums is delayed until after 2025, preventing more significant premium increases. Additionally, those with household incomes higher than 400% of the federal poverty line remain eligible for the premium tax credit through 2025.

### Energy-Related Tax Credits

Many current energy-related tax credits have been modified and extended, and a few new credits have been added. Many of the credits are available to businesses, and others are available to individuals. The following two credits are substantial revisions and extensions of an existing tax credit for electric vehicles.

Starting in 2023, a tax credit of up to \$7,500 is available for the purchase of new clean electric vehicles meeting certain requirements. The credit is not available for vehicles with a manufacturer's suggested retail price higher than \$80,000 for sports utility vehicles and pickups, \$55,000 for other vehicles. The credit is not available if the modified adjusted gross income (MAGI) of the purchaser exceeds \$150,000 (\$300,000 for joint filers and surviving spouses, \$225,000 for heads of household). Starting in 2024, an individual can elect to transfer the credit to the dealer as payment for the vehicle.

Similarly, a tax credit of up to \$4,000 is available for the purchase of certain previously owned clean electric vehicles from a dealer. The credit is not available for vehicles with a sales price exceeding \$25,000. The credit is not available if the purchaser's MAGI exceeds \$75,000 (\$150,000 for joint filers and surviving spouses, \$75,000 for heads of household). An individual can elect to transfer the credit to the dealer as payment for the vehicle.

### Corporate Alternative Minimum Tax

For taxable years beginning after December 31, 2022, a new 15% alternative minimum tax (AMT) will apply to corporations (other than an S corporation, regulated investment company, or a real estate investment trust) with an average annual adjusted financial statement income in excess of \$1 billion.



Adjusted financial statement income means the net income or loss of the taxpayer set forth in the corporation's financial statement (often referred to as book income), with certain adjustments. If regular tax exceeds the tentative AMT, the excess amount can be carried forward as a credit against the AMT in future years.

#### Excise Tax on Repurchase of Stock

For corporate stock repurchases after December 31, 2022, a new 1% excise tax will be imposed on the value of a covered corporation's stock repurchases during the taxable year.

A covered corporation means any domestic corporation whose stock is traded on an established securities market. However, the excise tax does not apply: (1) to a repurchase that is part of a nontaxable reorganization, (2) with respect to certain contributions of stock to an employer-sponsored retirement plan or employee stock ownership plan, (3) if the total value of stock repurchased during the year does not exceed \$1 million, (4) to a repurchase by a securities dealer in the ordinary course of business, (5) to repurchases by a regulated investment company or a real estate investment trust, or (6) to the extent the repurchase is treated as a dividend for income tax purposes.

#### Increased Funding for the IRS

Substantial additional funds are provided to the IRS to help fund operations and business systems modernization and to improve enforcement of tax laws.

## White Bean Chicken Chili

- 3/4 pound boneless skinless chicken breasts, cut into 1-1/4 inch pieces
- 1/4 teaspoon salt
- 1/4 teaspoon pepper
- 2 tablespoons olive oil
- 1 medium onion, chopped
- 1 jalapeno pepper, seeded and chopped
- 4 garlic cloves, minced
- 2 teaspoons dried oregano
- 1 teaspoon ground cumin
- 2 cans (15 oz each) cannellini beans, rinsed and drained
- 2-1/2 cups chicken broth
- 1-1/2 cups shredded cheddar cheese

#### Instructions

1. Sprinkle chicken with salt and pepper. In a large skillet, heat 1 tablespoon oil over medium-high heat; saute chicken until browned. Transfer to a 3-qt. slow cooker.
2. In same skillet, heat remaining oil over medium heat; saute onion until tender. Add jalapeno, garlic, oregano and cumin; cook and stir 2 minutes. Add to slow cooker.
3. In a bowl, mash 1 cup beans; stir in 1/2 cup broth. Stir bean mixture and the remaining whole beans and broth into chicken mixture.
4. Cook, covered, on low until chicken is tender, 3-3-1/2 hours. Stir before serving. Sprinkle with cheese; add toppings if desired.

Have questions or need to schedule a meeting?

Call or Email us today!

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