



OCTOBER 2023 NEWSLETTER

## Halloween Memories, Both Good and...

by John M. Goralka, Esq.

*We had some scary good times on  
Halloween!*



When I was young – Halloween was a particularly favorite holiday including holiday costumes and trick-or-treating with my brothers (5) and sisters (3). We started going in groups as we got older. My mom would let us keep the candy overnight. We

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would spend what seemed like hours sorting and trading candy and treats with each other. The next day my mom collected all the goodies and would limit how much we had access to at any time. She kept the candy in a cupboard on a very high shelf in the kitchen. I am sure my mom knew that we would sneak pieces of candy from time to time. We lived in a small town and there was never ever any fear regarding personal safety.

In a few blinks of an eye, I had two (2) kids of my own. To spend time trick-or-treating with my kids, I would put a large bowl filled with candy at the front door. There was a sign that said, "Please take only one". I am sure that the first few older kids did very well and that the bowl was emptied very soon. My daughter trick-or-treated with the same three girls from a very young age until she graduated high school. As they got older, the girls focused on creating handmade costumes. Her last year before college may have been the best costume. They were the four (4) ghostbusters from the movie. Their costumes looked just like the costumes in the movie – complete with homemade proton ray packs. Thankfully, my home was never "egged" for the bowl being empty. We were "TP'd" (toilet paper tossed into the trees) a few times when my kids were in high school.

Perhaps the most unusual memory was when... **READ ON**

-John



## THOUGHTS OF THE DAY

***"Well done is better than well said."***

- Benjamin Franklin

***"The difference between ballast and baggage is that ballast keeps you grounded and baggage holds you back."***

- A Hallmark Movie

***"If you dream it, you can do it."***

- Walt Disney

***"The only way to do great work is to love what you do."***

- Steve Jobs

***"Never let the fear of striking out get in your way."***

- Babe Ruth

# Fall Means Tax Planning!

by John M. Goralka, Esq.

*As fall approaches, the end of another tax year is upon us.*



California has some of the highest tax rates in, not only the nation, but the entire world. The combined maximum Federal California tax rate for California residents is now 50.3% (This includes California's 1% mental health services tax on income exceeding \$1 Million dollars). California would have the 8th highest tax rate in the world beating Israel, Belgium, and Slovenia which all have a 50% rate, not the record we were hoping for... More can now be going to the government than to you.

Business owners or highly compensated individuals are often not aware of their income and the potential liability until this time of the year. If you are facing an unexpected income tax liability arising from secondary income or the sale of an appreciated asset, we may still be able to help.

A substantial portion of our practice is devoted to planning to minimize income tax while building wealth for families. Different tools are available depending on the amount and type of income received. Some, but not all, planning structures involve charitable components. All charitable structures provide not only

charitable benefits and also build substantial wealth for the families. Some structures can provide a dollar for dollar deduction for each dollar contributed, a 100% deduction. Others can provide income to you for life and, if you choose the lives of your children. This can be done and permits you to maintain investment control.

An ideal tax planning candidate has one or more of the characteristics described below:

- Taxable income of \$400,000 or more,
- Taxable income that is \$200,000 more than what is needed for personal consumption,
- Taxable Capital Gains of \$2.0 million or more, or
- Retirement plan assets in excess of \$2.0 million that is not needed to maintain standard of living.

Tax planning begins with an in-depth analysis of your goals and needs. This process takes time so now is the time to act as we get exceedingly busy at year end.

[CONTACT JOHN WITH QUESTIONS](#)

## The Split Interest Income Trust

by John M. Goralka, Esq.

*Are you a Lottery Winner, Selling Appreciated Assets, or Have High income? If so, then you should better understand this topic.*



The combined marginal tax rate for California residents can now exceed 50%. Taxes on capital gains can take 1/3 or more of the sale proceeds. Every dollar of tax savings that is invested can produce a lifetime return on investments for the family.

Many, but certainly not all, tax planning structures involve charitable structures. This article focuses on an often-missed planning opportunity. The Split Interest Income Trust provides for the creation of a charitable trust that provides an income tax deduction. When funded, income to you for life (or you may also include your children for their living) with the remainder to your designated charity upon the death of the last-named beneficiary.

In a real-world example, a father, age 49, with three (3) kids ages 28, 24 and 11, made a \$7 million contribution to a Split Interest Intergenerational (includes the kids) Income Trust. He received an income tax deduction of \$2,171, 200 and safe annual income for his entire life of \$420,000 (projected at 6%) and lifetime income for each of his kids. The father is able to maintain investment control through his own investment advisor and could invest in real estate.

[READ ON](#)

# John Completes Business Exit Planning Training

*John completed training with and joined the Founders Group.*



The Founders Group is devoted to Exit Planning but with a far greater comprehensive approach.

- Tools and counseling are available to help determine whether you are actually ready to sell or transition away from your business from both a business/financial perspective and also from a personal/non business perspective. This is internally referred to as obtaining greater clarity to the challenge or problem (the “Anatomy of Choice”).
- Business valuations can be obtained as well as an analysis on how to improve the business in order to obtain a better sale price if that is appropriate. These steps to improve the business value are internally referred to as “enhancements”. If a sale or transition of a business is appropriate, that sale or transition is typically to:
  - Family,
  - Long-term key employees who are like family, or
  - Third parties
- John’s particular focus is tax planning to make the sale or other transition move tax efficient. Each of the types of sales or transitions referred to above have different tools or techniques to minimize tax and enhance economic efficiency.

More information on John’s participation in the Founders Group can be found at <https://www.foundersgroup.biz/John/>. There you will learn more about the five (5) stages of business, the types of business valuation and when each type of valuation is appropriate and the process to be used to determine the best approach for you and your business.

## CLIENT TESTIMONIALS

**"Mr. Goralka could tell right away that I was lost in the legal world and he was extremely sympathetic and encouraging. Everyone told me from the start that I couldn't win this difficult case, but he never gave up and did win it. I consider him to be a 'Super Hero'."**

*- Marlene W.*

**"The Goralka Law Firm came into our lives at a very difficult time. John helped us through that difficult time when I lost my husband. John gave a great deal of extra effort to make sure that we were taken care of. He was able to complete the estate planning quickly, saving us the cost and expense of probate fees."**

*- Patty O.*



Thanks to all of our clients for their business and referrals over the years. Reviews like these are a reminder about why we do what we do and reaffirms that we are not simply just preparing legal documents, but we're cultivating relationships and really helping families and their loved ones with transformational changes for generations to come.

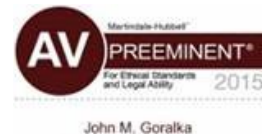
### ***Video Testimonial - How the Goralka Law Firm Helped Restore Our Client's Father's Legacy.***

When our client faced a large tax bill on her inherited IRA, other attorneys told her there was no solution. But when she turned to the Goralka Law Firm, we helped her find a way to restore her father's legacy.



***See the video testimonial on the Goralka Law Firm, P.C. YouTube channel: <https://www.youtube.com/watch?v=31LSsufUQdU>***

Can you do us a huge favor and take a couple minutes of your time to leave us some feedback and a review online at one (or more) of the following websites:



## RECIPE OF THE MONTH

### *Chicken Tortilla Crock Pot Soup*

This easy chicken tortilla soup is a flavor explosion, a breeze to make, and will fill your home with mouthwatering aromas.

With chicken, peppers, onion, and a whole lot of yum, this recipe yields a big batch that will feed a crowd of seven or more.

*Yields: 12 servings*

Pres Time: 30 minutes

Cook Time: 4 hours

Total Time: 4 hours and 30 minutes





## **INGREDIENTS**

- 3 tablespoons butter
- 1 yellow onion diced
- 1 red pepper diced
- 1 yellow pepper diced
- 2 cloves garlic
- 2 teaspoons salt divided
- 2 lbs boneless skinless chicken breasts about 2-3 breasts
- 2 cans chicken broth 14.5-ounce cans
- 14 ounces red enchilada sauce
- 2 teaspoons cumin
- 1 teaspoon chili powder
- 1 teaspoon oregano
- 1 tablespoon taco seasoning
- 1 1/2 cups half-and-half or heavy cream if desired, for a creamier soup
- 2-3 tablespoons flour or cornstarch if desired to make a thicker soup
- 1 can pinto beans drained, optional
- 1 1/2 cups frozen corn optional, do not use canned
- 1/2 cup fresh cilantro chopped, for garnish

## **COOKING INSTRUCTIONS**

1. Melt butter in a saute pan over medium heat. Season peppers, onion, and garlic with 1 teaspoon of salt and saute until they are tender. Add to the slow cooker.
2. Place chicken breasts in the slow cooker on top of the vegetables. Then add chicken broth, enchilada sauce, cumin, chili powder, oregano, taco seasoning, and remaining 1 tsp salt.
3. Cook on high for 3-4 hours or until the chicken reaches an internal temperature of 165°.
4. Remove cooked chicken and shred or chop, then place back into the soup. At this point, add any of the optional ingredients that you wish to use such as corn or beans.
5. If you'd like a creamier soup, add 1-2 cups of heavy cream now. For a thicker soup, whisk 2-3 tablespoons of flour or cornstarch to the heavy cream before stirring into the soup. Cook on high for another 1 hour.
6. Serve with your choice of garnishes such as fresh chopped cilantro, sour cream, and tortilla strips.

Enjoy! 😊

# CONTACT US

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*NOTE: The client testimonials featured in this newsletter and on our website are from actual clients of The Goralka Law Firm, APC. Their full names have been redacted to protect their privacy. These client testimonials do not guarantee your particular results.*

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