Ep #317: John Hyre - Navigating the Biden Tax Proposals

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David Phelps: Good day, everyone. This is Dr. David Phelps of the Freedom Founders Mastermind Community and Dentist Freedom Blueprint Podcast. Today, we are going to talk a favorite topic for everyone, it's taxes. With me today is a good, long-term friend, Mr. John Hyre. John, how are you, sir?

John Hyre: I am very well. I have no good reason to complain. It doesn't keep me from doing it. I am a lawyer. I just don't have a good reason.

David Phelps: Well, very good. Well, I love having you here, John. John is a tax attorney. He's an accountant with 25 years of experience. He focuses on taxation of business, real estate, and self-directed IRAs, 401ks. He speaks nationally on these topics and resides in Puerto Rico. I've known John for, gosh, John, probably somewhere around 15 years. John's been in every high-level real estate tax class that I attend and, of course, he attends his own stuff as the intro bio indicates. John is a doer. He's on the ground.

He's an investor like us, but he also gets on the street and definitely goes to bat for those of us who need help with taxes, both planning on the execution side, but also if issues come up with the IRS, he knows how to go head-to-head. So John, great to have you here. One thing that it seems like has happened this last year of COVID where we had this shutdown and the economy was going to the crappers and then the federal reserve came to bail everybody out, well, bailing out some people, not everybody, so we have this disparate class today.

We have the haves and the have nots. We have the essentials and the non-essentials and it seems like the essentials, John, those people that get to go to work or can go to work or can work from home or have flexibility, they're flushed with cash today. Just a lot of capital out there that's looking for places to go. I see a lot of stuff going on in the crypto world. Gosh, the whole Game Stop thing a week or two ago was pretty interesting to watch.

But with all this capital, it's got to be paid back some time. All this money has been flushed out in the marketplace, it's going to get paid back and we have a new administration in place and a lot of proposals on the table for what that may look like. So that's where we're going to go today. I'm going let you take it from there and let's go down some high- level areas that you see forthcoming and what we need to be thinking about.

John Hyre: So first I think we're going to see tax changes. It's not clear exactly which ones. There's a list of them and I've gone through and evaluated probability of passing and how to react. They're going to continue to make the tax system more progressive and at some point, that'll break the back of the system because we're already the most progressive tax system in the developed world, meaning the wealthy pay the highest share of taxes of any of the industrialized country systems. The attempt's going to be to do more of that and that's going to have impacts on capital markets, willingness to invest, people's behavior.

So we're seeing targeting is 400,000 or more. Now the Biden tax proposals are broad enough that they're going to affect everybody, but they're really targeting people who show 400,000 or more of taxable income on their 1040. They're targeting them good and hard, so rates for those people are going to go up. That's especially true if you're making a wage in that range. So there's a debate of first, what to do? There's proposals on the $400,000 front to make itemized deductions worth a lot less than they are now.

Without going into details, they're going to limit itemized deductions, make them a lot worse than they are now, worth a lot less, if you look at how much they actually end up saving you. They're going to increase brackets and it includes a very dangerous one for people who are on W2's or self-employed. They're talking about making the 12.3% self-employment social security tax that ends right around 140 grand. So the first 140 grand of salary or earned income is hit with that. They're talking about it kicks back in at 400.

David Phelps: Right.

John Hyre: So this presents a lot of danger. There are three main threads in terms of how to account for this. Talking really generally, at any time, interrupt. You know how it works with me. If you don't interrupt, you don't get to talk. We can drill down into some details in the time we've got. One is, some people are taking their chips off the table. So I have clients who started selling as soon as the election was over, anticipating capital rates would go up. Some are 1031-ing while 1031s are still around. There's a proposal to ban those. I don't, personally, think it'll go through. They've been threatening that for decades.

David Phelps: Right.

John Hyre: When you look at what it does to capital mobility, where people won't sell, they'll just sit on capital, I think even the people in power right now, maybe, maybe will realize that's not such a great idea, but it could happen. So we see a lot of accelerated, 1031s. I have one client, in particular, who has a large rental portfolio that was almost entirely acquired in '09 to '12 at very good prices. Now it's an unfriendly environment for the landlord, at least in the cities. So I do see people investing in some of the smaller cities or towns that are politically more open to landlords and not hostile and that also are, maybe, enclaves of some wealth and some people getting out of the cities that are very hostile towards landlords. So the theory with this particular client, the environment's becoming much more hostile for landlords.

Theoretically, you're not allowed to collect rents. Now by the way, there are plenty of ways around the CDC order. Most of the tenants don't do what they have to do to get the protection of the CDC order against evictions. So when they assert that order as a defense to eviction, you question them. The big one is, "Did you accept help? Did you look for help? Did you make attempts?" The way to set them up is you call them and attempt to help them and get them to apply for things and when they don't do it, you can puncture their defense. So there are ways around that, but it's not a friendly thing between all the other anti-landlord proposals and that right now, single families are, in a lot of places outside the huge cities like New York, single families are at all-time highs. We lost a lot of buyers for COVID, but we lost even more sellers. Nobody wants Typhoid Mary coming into their property.

David Phelps: Right.

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John Hyre: So right now, we're selling, personally, everything. All the stuff we bought mostly in '09 and '12, we're selling it all. Most of it, I thankfully, had in a Roth 401k, so we're also not paying tax on the sale.

David Phelps: So, John, I get that and we've done some of the same things in our personal portfolio. A question a lot of people would have is, "Well, great. You sell some things that don't make sense right now. You take some chips off the table, where do you put those chips? What do you do with them now?

John Hyre: So what to invest in? If you don't have a better answer, keep the rentals, rule one; B, right now, my mind is still getting expanded. As you know, I'm in Puerto Rico. There's a massive tax break, but there's a lot more besides, the networking here is amazing and I'm discovering an awful lot of investment opportunities. For example, we did some factoring for our MDs in Georgia and that looks like it's going to be, knock on wood I don't jinx it, 18 to 22% return and we structured it as a performing loan in a 401k so we don't pay UBIT. I'm seeing a lot of opportunities in these tech stocks. Tech is still going crazy. You got to sit on it for a while.

There's obviously the new gold, the Bitcoin, and there are a lot of enthusiasts down here for that, so it's really a combination. I'm still looking for niche type rental properties. Obviously, it's really hard to find a good price right now, but the beauty of the rentals is money's artificially cheap. The government has decreed that money shall be rented at a stupid low rate because it can't afford to pay the rent and so it wants it nice and low. How do you take advantage of that? Borrow super cheap. Don't borrow stupid. Otherwise, you run into issues like back in '80, '09. I'll give an example of one thing I'm doing to find deals.

There's a self-storage conference in North Carolina in March, a small mentorship group.

I think very highly of the gentleman who put it together and I'm going to show up there, not so much to learn self-storage. I'll learn and I'll listen, but I don't intend to implement any of that. I've learned to focus on the one thing, which for me, is my practice. I invest a lot more passively than I used to. What am I going to that for? This guy's students have a really good success rate. Furthermore, when they borrow from you or not borrow, but you invest as an equity investor, the least experienced ones will go sometimes 80/20, certainly 50/50, on splitting proceeds and they borrow. They're guaranteeing the debt, I'm not.

So I'm getting the advantage of leverage, which is massive, given how cheap leverage is, going into an excellent asset category. Self-storage is doing really well with a guy who teaches really well and I'm going to have three days in a classroom to observe the students there to see whom would I like to deploy money with? So I think you've got to look for niches. I think you've got to get around and be very nimble and thoughtful about what's out there.

David Phelps: So to your point, for people that have a business, they have a practice where their time is most effective there, the nimbleness still requires the building of relationships, of finding those right people that you can collaborate with, that you can invest with, that you can loan money to that are good operators and that's exactly what you're doing. You're doing some vetting to see who are the players that you might want to work with.

John Hyre: Absolutely. I've learned the hard way because it's the only way I learn anything. To do my due diligence and to diversify, and again, for me, it has to be passive investing. So I do have the time and the social ability and the network based on my list that I can get out there and find these types of deals. You also look for gatekeepers who lead to these deals. In fact, I'm headed in that direction. I've had some people very quietly and privately invest together. I put some money on the table. I don't believe in bringing others into an investment unless I have skin in the game. So we're starting to do some of that. That's more of a tentative thing and it only works as long as it doesn't interfere with the practice.

David Phelps: All right. Well, John, back to some of the tax proposals that have been listed on the table, capital gains tax. They talked about bringing that back all the way up to ordinary income tax rates. Now again, do you believe that would be for those that have taxable income 400,000 or more? Is that still some kind of a benchmark that's being set for a lot of these changes? Step-up in basis that they would take away, is again, is that going to affect certain people, but not everybody? What do you see there?

John Hyre: All right. Let's talk capital gains first. The proposal on capital gains is just for those who make a million or more per year. Their capital gains rate would be ordinary income rate at the highest rate, which is basically, 40%. Now that sounds like a large number and a lot of people think they're immune, but sometimes one good sale combined with decent income, throw in some inflation that if they don't properly adjust those brackets, and I don't think they will, because even if they follow the CPI, the CPI grossly understates inflation, I think that can become a relevant rate for more and more people.

The present structure with 15% rates and then 20% rates that are phased into once you hit 400 grand is already in place. It's not exactly 400 grand, but it's pretty close to that, throw in the

Obamacare tax and long-term capital gains rates are already 23%. Now there are some proposals to increase general long-term cap gains rates to 28%. I don't know if that's going to fly or not, but that's the capital gains landscape. Then we take a look at the step-up in basis. That's a very populous move. I think it's insane, but it's a very populous move. It wasn't that long ago, in the '70s, that we had a system where you did not get the step-up in basis.

The issue there, there are some trusts that can help you get around that, but they're also talking about outlawing those various types of income deferral trusts. So we have to sit back and see what they're going to do and then wait and see. Some people might sit and wait and see, "Well, is the pendulum going to swing?" The Democrats will probably lose the midterms is what normally happens. Lord knows what will happen in 2024. That seems like so long from now. Sit and hold out and hope we get someone who comes in and puts things back to the right, so tough calls to make. A lot of tough calls.

David Phelps: Oh, and then what about the pass through on the trade business income, the 199A? Is that going to be potentially-

John Hyre: That's another one that they've flat out said they're going to phase out starting at 400 and my guess is they're going to phase it out at 400 of taxable income starting at 400 and complete phase out by 500,000 of taxable income. Then add to it that if you have a practice, a lot of people are already phased out or partially phased out because it's considered one of the naughty services, just like my law practice. So it's kind of a double phase out. It would affect other businesses. So again, my focus on planning, I've been thinking about this for clients, I want to keep their 1040 to below 400,000 taxable income because that's the threshold they're clearly aiming for. There are a lot of other proposals at that level that they're floating and they all trigger at that threshold, so it's a key threshold.

I'm really looking to run a lot more business through ROBS, rollover business start-ups, including medical practices. If a medical practice can be owned by a C-corporation in the state where one's licensed, looking for the other exempt entities, IRAs, 401ks. Even with the increase in rates and C-corporations, I'm looking to have money pile up in a C-corporation. You can bifurcate a practice or let's say you have three offices. Maybe one office is in a C-corp and the other two are in S-corporations. Why? To keep you from going over that threshold. Really, it just depends on the numbers, but I'm really looking to use those techniques to keep things off the 1040 and avoid that threshold if at all possible.

David Phelps: That's really the key strategy right there by using some of the other entities that you just named. So, John, looking at the larger economic conditions and what these proposed tax changes may cause, it changes, certainly, the velocity of money, the movement of capital. I think you said that earlier because people are going to avoid, any way they can, to have to pay the tax. So what's that do to commerce? What's that do to the economy? You mentioned that we have the most progressive tax situation of all Western countries and we're just going to make it worse. The economy, it's going to slow down. Not good things will happen, so maybe that does bode well for the 2022 midterms, we can hope for. What are you seeing? What are you talking about with—

John Hyre: Stagflation. Stagflation. The government wants inflation. It's in their interest to have it. They have not succeeded at creating it until recently because of lack of velocity. In other words, they give the money to the banks, the banks sit on it and don't lend it out. The money doesn't hit the economy; therefore, you don't have any velocity. But with the direct handouts and the Biden tax plan and COVID relief or more of that, with getting more money into people's hands, however artificially and undeserved, it will create and is creating, inflation is ticking up. Now it's very selective. For example, subsidized things like universities and healthcare, anything subsidized by the government, real estate, the prices are skyrocketing. Unsubsidized things are holding the inflation back.

A good example is tech is the most subsidized or unregulated thing in the United States and it's creating such efficiency that it creates deflation. They're making things cheaper to produce and so there are counter wins on both sides of the equation, which means you're going to have inflation, but it's going to be selective. With Biden's anti-business approach and this whole fantasy about green jobs and so forth, you're going to see some stagflation. I think that there's going to be a lot of opportunity. They're repeating a lot of the mistakes that were made, for example, with Freddie Mac, Fannie Mae and so on, so you're going to see a lot more houses up for sale unless they outlaw buying.

This rent moratorium's lunacy and it was a bipartisan lunacy. It's not the Democrats who started it. So there's going to be opportunity, but my gosh, you have to target and be very specific and focused on where are we seeing the inflation? It's counterintuitive. I'm not normally a fan of debt. I'd rather own 10 free and clear houses than 30 of them leveraged. It's just a simpler, easier life with the same cash flow, but they give you an incentive when they make money so cheap to borrow, albeit rationally. That's what I'm really going to look for is where can I deploy three and 4% money with a high probability of not going into default?

David Phelps: Right. John, what's the status of the IRS and their budget? Obviously, they're going to be looking for the low-hanging fruit. You mentioned the 1040. Is that the tax form that is first looked at and most often and that's why you're helping your clients keep their taxable income below 400? Is it 1040 the one that they go for first? What's some of the other low-hanging fruit and maybe we can talk a little bit about retirement plans and what the IRS is doing there.

John Hyre: So the audit rates are low, very low, possibly at an historic low and that's due mainly to incompetence. The IRS screams that it's their budget and their budget was cut. No, they just waste a ton of money on nonsense. I've talked to people who worked internally at the IRS at a high level and just to fire someone, for example, it's just amazing. So they have some very sharp people. They also have a lot of dead weight and so audit rates are extremely low. I do think the Democrats will increase their budget and unless the Republicans are willing to filibuster it, you're probably going to see more audits. 1040 is the first thing they look at because things pass through to it. They look for, especially the high-income sorts, or at least they did back when they had quote-unquote, more audit resources.

So I think audit rates are going to go up and I think, given the ideological focus of the administration, not to mention, I think it was Bonnie and Clyde if I remember right, asked, "Why do you rob banks?" And they said, "Well, that's where the money is." So similar theory here really, a very comparable actually, now that I think about it, IRAs have received very, very, very low audit attention. There's some nasty legislation out there. If you remember before the election, the proposed so-called RISE Act because we always have to have a stupid acronym for stupid things. The RISE Act would greatly limit the usefulness of Roth IRAs. Now it doesn't limit Roth 401ks so much, which is good news, as long as they don't figure it out and amend the law, but it does limit Roth IRAs dramatically. That's just sitting there and the guy happens to be head of the Senate Finance Committee.

David Phelps: So in what way will it limit Roth IRAs, John?

John Hyre: The worst thing it does, there are some minor limits. The major limit is if you buy anything in your Roth IRA for below fair market value, it's a prohibited transaction and the IRA dies. That's A; B, anything that is not sold by a bank, insurance company or a registered on an exchange has to be appraised before you buy it. It is a specific appraisal, pretty analogous to the one that's required when you donate property to charity. So it's going to limit who can do deals in their IRAs given these burdens. What if the appraisal comes back and says, "You're buying for below market," which I thought was the whole point.

David Phelps: Exactly.

John Hyre: So that's really going to limit what Roth IRAs can do. It bans conversions completely. In other words, if that law passes, conversions of any sort, IRA, 401k, SEP SIMPLE, whatever, converting from traditional to Roth is just plain out banned. Now the 401ks and the Roth 401ks, specifically, have not yet been targeted by the legislation other than banning conversions, so it makes Roth 401ks much more valuable. There are other limits that the law imposes, but the two I mentioned are the big ones. Hopefully, somebody can lobby and at least get those removed. I think the other big thing that they're doing is saying that your Roth IRA, once it gets to 5 million or more, you are required to distribute half of the access as an RMD or face massive penalties. That's just sitting there and it's the head of the Senate Finance Committee, Ron Wyden, who I think is nuts, he's the same guy that proposed taxing appreciation on property even if you don't sell it.

David Phelps: Right.

John Hyre: So that's not very positive. So I would say convert now. Gosh, if there's one message you take away, convert now while rates are as low as they're going to get, and while you're still allowed to convert. What's the math? When does it make sense to convert to Roth? If the internal rate of return in the account is high, that's the number one factor and there's more, and you'd probably best off running a spreadsheet. We do that for clients on is it worth converting? Here's what we run. We set up an IRR function in Excel, so internal rate of return. The investment, and you can put that in quotes, do the little finger thing in the air.

The quote-unquote "investment" is the tax you pay to convert. The quote-unquote "return" are the taxes you don't pay by having a traditional account, so that's out in the future. If you run that mass, you will get a rate of return on your quote-unquote investment and that's how we make decisions. Well, that mass is going to change next year, assuming you were even allowed to convert at all. So I would say the number one thing I'd be thinking about is converting to Roth and aggressively investing those Roth accounts. My cherry, cherry super sweet deals are going in there.

David Phelps: That's really great advice. What about the SECURE Act 2.0?

John Hyre: It's fairly benign. Now it is more command and control, which politicians love, because they are much more moral and much more intelligent than us peasants. Sometimes the peasants need to be forced to do things for their own good. But what they're doing is, if you have a multi-employee 401k, it probably won't apply to solo Ks, but if you have employees, for example, a Safe Harbor plan, it forces enrollment of the employees. Now existing plans are grandfathered, but when you amend the plan, is it still in existing planners that killed the grandfather? Because pretty typically, 401k plans are amended every two to three years just to keep up with the law, so it forces enrollment of people and it forces them to start with 1% mandatory contributions.

They can opt out, but all the various studies show that they don't. In other words, it really does result in the socially desirable goal that must be forced upon the peasants of saving. The way it works is, first year, they're forced to put 1% unless they opt out; second year, 2%, all the way up to 10% forced contribution into 401ks. That's the big piece of it. It changes the RMD age, Required Minimum Distributions to 75, which I like. It gives people more time to wait before distributing from the traditional accounts, so I do like that part of it. The rest of it's fairly small potatoes. Those are the big changes of the SECURE Act 2.0.

David Phelps: John, what's been the precedent with Congress in enacting tax changes and making them retroactive to a prior date? How common is that? What should we be concerned about if that were to potentially occur with some of these changes?

John Hyre: Legally, they can do it. That's clear. It's typically not done because of the chaos and the political blow back. But again, these people are kind of nuts. There are certain types of tax law that are more amenable to being enacted as of a certain date and there are certain types of tax law that, really, you do have to go retro. For example, if they changed the brackets, that's either going to be as of the first of next year or as of the first of this year, but changing brackets really isn't something you'd do in midstream.

Where things could change, if you remember, when they put in the bonus depreciation, which by the way, the Biden people are very hostile towards real estate. It must be this Trump derangement thing applied to everyone. They're very hostile and they said so, "We intend to restrict real estate." There's a proposal to restrict a real estate professional status, basically to eliminate it. They haven't said it, but I suspect they'll eliminate the bonus depreciation, probably not altogether, but on more than a five-year property, so your land improvements, your sewer, the type of stuff people have been getting huge write-offs for on this real estate that they buy into and the syndicates they buy into.

I would not be surprised to see that eliminated. Now, why do I mention that? Bonus depreciation was enacted as of a certain date, September such and such of 2017. So I would suspect that that anything you buy before that thinking, you're going to get bonus depreciation on, whatever the date is, probably you're going to get it. They probably won't go retroactive on that. Likewise, with if they ban conversions, there'll be a date and it probably won't be retroactive because a bunch of people shall have already converted.

David Phelps: Right. Right.

John Hyre: So those types of things are more likely to be as of an enactment date. You probably, and I say probably, because we don't know for sure. These people are nuts. So we don't know for sure, but those sorts of things tend to have an enactment date of when the law was passed. Whereas, something like brackets will tend to be retroactive.

David Phelps: John, Congress, as nuts as they are, they still need to be able to play ball with their assets, with their estate planning. They want to keep something in place for themselves. Am I wrong? So if they take away too much and you got to think that the money they make as representatives is well-known. I don't mean their salary, I mean the side benefits. They've got to keep some pieces for themselves. Do they not or am I just missing it here?

John Hyre: I'll have to give them credit in a back-handed way. A lot of them are not hypocrites. Now that doesn't give them a right to impose their crazy rates on me, but a lot of them are not hypocrites. It's a pseudo-religion. They care. They're progressive and they're willing to prove it. So a fair number of them are, "Yeah, we'll pay." There will be loopholes that are going to be a lot harder to access. They're going to be a lot more expensive. I'll give you an example. If they don't outlaw the various sorts of income deferral trusts, that's an expensive thing.

You don't do a charitable remainder trust or a children's income deferral trust or those various things without spending some dollars and having a certain amount of size. But a lot of the easier deferral strategies that were accessible to everyone, for example, having a stretch IRA, that SECURE Act number one, curtailed, they're getting rid of a lot of that stuff. So I think what remains will be more complex and more expensive and require more people like me for those who can afford it.

David Phelps: Do you see a point where there could be some type of income means testing? That's the way the code's set up right now or the proposals with the $400,000 level. What about with retirement accounts? Right now, Roth distributions are tax free. Could there be a day when Congress could enact laws to means test and say, "Well, you're going to pay some tax because you're better off than others and you owe your share." Could that occur?

John Hyre: It could. I don't think it's in the near future. Certainly, given the downward intellectual, moral and cultural spiral of our country and especially our so-called elites, certainly a possibility down the road. Thankfully, none of it's presently proposed directly. Now, if you look at what they're doing, they're doing it indirectly. They are making things more progressive, so they're targeting high-income people and there's a lot of giveaways for people who don't pay any taxes, got to keep buying those votes. The methodology for now. Now, how do we get even? Well, I think we are going to have inflation and I don't like bread costing four times what it does, but I can afford it. A lot of those other people can't, so the system is going to hurt them. The other issue is, again, debt and artificial asset bubbles that people with a surplus, people who are productive and produce a surplus, can invest in assets that based on government action are going to continue to bubble and I do think real estate is one of those.

David Phelps: John, there's a lot here and we just touched the surface. You've got some classes coming up and I think people that want to dig a little deeper should know about those. They can go to taxreductionclass.com and get a listing. But just to lay those out, you're going to do a pretty in-depth webinar on February 23rd, going deeper into some of these proposals. Correct?

John Hyre: Indeed, 5:00 PM Eastern time, and I think it's going to be a long webinar. I did a practice run with some of my private webinar people yesterday on what we're talking about, but just way more detail. I think it's going to probably go about a good four hours. So we scheduled it for 5:00 PM Eastern, Tuesday, the 23rd. It'll be some fairly low price, I mean low three digits. I haven't even set the website up for that particular thing yet, probably 149 or something. We're going to go through the changes that the Biden people are proposing; the probability of they're being enacted; things you can do about it. Also, we're going to go through the SECURE Act 2.0, the RISE Act and we're going to touch on, just as a review, the CARES Act 2.0.

There are a lot of opportunities in that that people are missing out on, especially when it comes to employees. So most of the proposals are bad. Some of them are good. For example, a lot of the listeners will like that the Biden people intend to lift the restriction on taxes that are deductible on schedule A. Now, if you make too much, they take that benefit back. But we're going to cover that on the 23rd. Then on Saturday, the 27th, Sunday, the 28th, we're going to be in Atlanta, both virtual. So we are streaming it as well as live at the Airport Marriott and we are recording it. We're going to talk in very great detail about qualified accounts, IRAs, basically the self-directed rules, especially in light of what's coming.

I think those accounts become even more valuable. The higher the tax rates become, the more valuable an exempt account becomes and we're going to get into some serious strategies, as well as discussing the rules. The way we set that seminar up is half of it's going to be Q&A. In other words, it's a highly interactive class. We have things we want to cover and if you look at the tax reduction lawyer website, that class is up and people can review the exact schedule. You'll note that I left about Four hours open, and that gives us the flex time to Q&A and bunny trail into relevant things and see what people are thinking. Last but not least, March 20th and 21st, same place, Atlanta, Georgia, Airport Marriott, both virtual, live and recorded.

We're going to dig very deeply into entities, a very comprehensive and thorough analysis. When does a C-corporation make sense? When does an S-corporation make sense? What are some of the traps? How do you maintain them? How many entities should you have? Where should you set them up? Then we're going to get into some of the specialized entities, for example, the so-called 1202 C-corporations that you can sell tax free, the ROBS type system, which we're also going to cover at the IRA event. Bottom line, lots of Q&A and we're going to go into a lot of detail on those items. David, you've been to these classes. I share a list with guys like you, with Fortunato, with Bodiford. It's really sharp people. The networking alone is worth the price of attendance. You probably can view me as something of a bonus.

David Phelps: Well, there's no question, John, when you're in a room with people that are of that caliber, the questions that we ask will be questions that oftentimes another person won't think of and it just starts to ping the idea. I talk about the fact that these kinds of classes, there's the presentation from the front of the room, which is super solid, but there's the activity and the engagement, the questions that happen during those sessions and outside. You can't merit a better place to be when you're trying to figure out how to navigate these uncharted waters that we're moving into.

It's a time when people have to be really on top of this, because you can't just sit back and be complacent. You have to be on top of it. You have to work straight your own financial future. If you don't do that, by default, the government's going to get it. They're going to take more and more of it and that's not what people who have worked hard all their life want to have happen. So John, again, the websites are taxreductionclass.com and also, taxreductionlawyer.com. Both of those sites will give updates and let people have a chance to register for any or all of these next classes coming up.

Ep #317: John Hyre - Navigating the Biden Tax Proposals

John Hyre: Okay. Well, David, thanks for having me and I look forward to being useful in the future. I think we're in for a lot of change and as usual, I think the nimble informed people will do far better.

David Phelps: Totally agree, John. Thank you so much for the time today and your forecast of what's coming. You're a guy that stays on top of it and I appreciate the insights that you have.

John Hyre: Take care.

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