

# WINTER NEWSLETTER



Do you have in iPhone or iPad? Local company 307 Media have created an interactive mobile directory for visi-

tors and locals. Discover Jackson Hole in the palm of your hand. Find restaurants, hotels, attractions, etc. Use Google maps to locate and get directions instantly. Read descriptions and get contact info. Check weather, daily events, web cams and more.



Jackson Hole Mountain Resort also has a new App. which allows users to see which runs are groomed and which are closed; locate yourself and your friends on the trail map; record your runs and log vertical feet and distance. Display your tracks and replay your runs on the trail map; find up-to-date information about the mountain, including snow conditions, weather, and webcam images; and get up-to-the-minute lift status information.



## LOCAL REAL ESTATE SALES IMPROVE

Through 2010 Jackson Hole, Wyoming Real Estate Sales and Transaction Volume has shown significant improvement over 2009. The overall market (all home, lot, condo and commercial transactions or listings) has seen a steady climb in the number of sales. The number of sales was up 43% to 319, and the dollar volume was up 53% to \$509 million. The upper-end market (over \$2 million) is clearly showing signs of a recovery, where sales are up 91% and dollar volume is up 70%. Single Family Home sales accounted 47% of all sales and were up 30%. ([www.jacksonholereport.com](http://www.jacksonholereport.com))

Teton Valley, Idaho also saw improvement as the market bottom formed with both residential home and lot sales holding firm in 2010 with very slight increases in volume on 2009 numbers. This is an incredibly encouraging result for the market which also saw a significant decline in the number of listings. The reduction in supply provides further promise for 2011.

## MAKE 2011 A TAX FREE YEAR!

Now that idea may sound too good to be true, but for many investors this year, that's exactly what they will be celebrating on New Years Eve. This goal can be achieved through the use of one or more of the government-sponsored small business retirement plans now available.

A basic self-directed Traditional or Roth IRA provides satisfaction for investors with their many profitable investing advantages, including tax-deferred and tax-free profits. But that isn't enough for many investors, especially considering the relatively low contribution limits offered by the Traditional and Roth IRA.

Fortunately many Self-Directed IRA Custodians offer a number of investment vehicles that provide higher contribution limits and larger tax deductions (more than \$50,000) that will satisfy any investor's need for bigger and better deals.

### *You Qualify as a Small Business Owner*

Whether you know it or not, you are most likely eligible for government-sponsored small business retirement plans such as the SIMPLE, SEP, Solo 401(k), and Roth Solo 401(k). Being an investor often qualifies you as self-employed, a sole proprietor or even as your own small business. Many times our clients have formed a small business that grew out of a favorite hobby or the need to create a second income. (Continued on page 2)

# MAKE 2011 A TAX FREE YEAR!

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The advantages of a self-directed SIMPLE, SEP, Solo 401(k), and Roth Solo 401(k) plan over a Traditional or Roth IRA are clear: much higher contribution limits and larger tax-deductions. In addition, you are allowed to contribute to both an individual account like a Traditional or Roth IRA and a small business plan—truly maximizing the investing power of self-directed IRAs.

## ***The SEP Plan***

The SEP allows for contribution amounts of up to 25% of your salary with a maximum of \$49,000 per year. It allows individuals to make contributions toward their own retirement without having to manage a more complex qualified plan. Any type of business or employer (you, if you are self-employed or sole proprietor) is eligible for the SEP plan. It is typically designed for business owners who employ less than 25 employees.

## ***Solo 401(k)***

The Solo 401(k) is often the most attractive plan to investors, if they qualify, because it combines elements of the SEP and SIMPLE. This plan is designed for owner-only businesses, their spouses and their children. It can be established by both incorporated and unincorporated businesses, sole proprietorships, partnership and corporations. You can contribute \$16,500 annually (\$22,000 if you are 50+) thru salary deferral, plus a profit-



sharing portion of up to 25% of your salary. The limit from both sources is \$49,000 (\$54,500 if you are 50+).

## ***Roth Solo 401(k)***

If you want the same benefits of the Solo(k), but with the tax benefits of Roth-type contributions, then the Roth Solo 401(k) is for you. The same contribution limits apply as the Solo(k), but you can designate the salary deferral contributions you make (up to \$16,500 annually if you are under 50, \$22,000 if you are 50+) as Roth contributions. The portion you contribute as a Roth does not qualify for a tax-deduction, however the profits from these contributions grow tax-free, plus all qualified distributions are tax-free. The profit-sharing portion of up to 25% of your salary put into the Roth Solo 401(k) is just like the standard Solo 401(k).

For 2011, each owner working in the business is able to contribute up to the lesser of 100% of compensation or \$16,500. In addition, the separate profit sharing contribution, if any, can be made to an Solo 401(k) arrangement is limited to 25% of the employee's compensation up to the annual compensation cap (if the business is a corporation) or 20% of the employee's self-employment income (if a sole proprietorship or partnership).

The annual compensation cap in 2011 is \$245,000. There is a total contribution limit applicable to



both sources \$49,000 in 2011 and then subject to annual cost-of living adjustments for later years. An employee 50 years of age or older may also make an additional “catch-up” contribution amount of \$5,500 this year, bringing the total contribution limit up to \$54,500 for 2011. Also remember that spouses are eligible to open their own Solo(k) provided they have separate income and are covered in the plan.

### ***So how do you end up with a No Tax 2011?***

Many new or small businesses do not have the available capital to take full advantage of the allowed annual contributions. Since the business is allowed to deduct the contributions it makes to these retirement plans, the business will often borrow the funds needed to fund the company 401(k) plan. Often the loan received by the company, is coming from the founder who is typically the person who has been paying tax at the highest rate and sees the long-term advantage of funding a retirement plan that can grow tax deferred or tax free.

Of course always seek professional tax advice when establishing a business retirement plan, call us to discuss the best plan for you.



## **WHY BUY LAND NOW?**

A growing number of Investors are turning their back at conventional investment practice. Age is no longer an obstacle, in fact in many cases age is the catalyst for change. In the past, Investors approaching retirement age have been heavily vest-

ed in quality bonds and cash, with substantially less held in junk bonds, options and emerging markets. With limited time to recoup losses, in a market which may need over 5 years to recover, Investors are becoming more creative.

Just as our markets have been turned upside down in recent years, so has much of our conventional investment wisdom. Case in point – emerging markets. In the near term as the US, UK and European economies grind their way out of the hole, emerging markets including China and India continue to grow.

Commercial real estate is another good example. Set aside the stories reported in the media over the past few years regarding CMBS/TARP and any other acronym for which there is no English translation. The reality for Investors is that Commercial real estate historically tracks the stock market around 50% of the time, leaving substantial opportunity to make a timely strike and exceed market returns. With several billion dollars in Commercial Real Estate loans coming due in the next 12-24 months, bargains are out there. As a Commercial landlord, an Investor has the ability to generate yields in excess of 4% after Tenants have paid taxes, insurance and maintenance and signed long term leases – try 5-10 years or more in some cases.

Think 4% seems low? It's almost double the recent yield of the average S&P 500 stock.

Where does Land fit into this equation? It's the #1 value proposition in the market today. Land has taken the biggest hit in value as a result of the recent market correction. In most cases that means that prices are now at Wholesale levels or below and there is abundant supply. In agricultural areas, your best Tenant may be a local farmer who leases the land to grow Hay. In urban areas, Tenants may include Contractors requiring storage or public parking. Though income opportunities are limited, growth opportunities are significant and expenses typically only consist of property taxes and insurance.



## WHAT'S NEW AT JACKSON HOLE MOUNTAIN RESORT?

Jackson Hole Mountain Resort has built a number of Burton "Stash Parks" that incorporate natural features and native materials to create ramps, rails and jumps in 'stashed locations' across the mountain. These eco-driven Stash Parks enhance the mountain's rowdy terrain making Jackson Hole #1 in the US for creative big mountain riding.

For more information go to [www.jacksonhole.com](http://www.jacksonhole.com)

## ELK FEST 2011

Elkfest is a weekend of activities built around the world famous Jackson Hole Boy Scout Elk Antler Auction. It is an exciting time for celebrating nature, outdoor skills, hunting and ecological education and awareness. Elkfest will be celebrating the 43rd Boy Scout Elk Antler Auction this year. The first Boy Scout Elk Antler Auction was in 1968.



Every spring, thousands of elk wintering on the National Elk Refuge shed their antlers before they migrate to their summer range. The Boy Scouts harvest the shed antlers and auction them to the highest bidder at the Jackson Hole Boy Scout Elk Antler Auction. The bidders sometimes represent other buyers, some re-sell the antler in the raw. Then there are those who are looking for just the right antler for making furniture, light fixtures, jewelry and other crafts from them. Others just want a nice rack for hanging on their den wall. Money raised at the auction is used for long-term projects that will help the elk for many years. It is used for improvements to the habitat like growing more natural grasses, improving irrigation on the refuge and purchasing equipment used for this type of work. It also helps pay for summer workers who spend the summer irrigating the fields to help grow grasses the elk can eat during the winter.

***Elkfest 2011 will be held on May 21-22, the weekend before Memorial Day.***

As we move further towards the Summer, Jackson Hole and Teton Valley host an exhaustive list of events and music festivals including: Old West Days (Memorial Day Weekend), Music in the Hole (4th of July FREE performance by the Grand Teton Music Festival Orchestra), Rodeo's each Week, Teton County Fair, Targhee Fest (July 15-17th, featuring Grace Potter and the Nocturnals, Targhee Bluegrass Festival (August 12-14th), Grand Targhee Races (Ultra-marathon, Marathon, 10k), WYDAHO Mountain Bike Race, Teton Pass Hill Climb Bicycle Race, LOTOJA Bicycle Race (Logan UT to Jackson WY), and to close out the Summer season, the Jackson Hole Chamber of Commerce is soon to announce a new Marathon Event to be held in early Fall right after the LOTOJA Bicycle race. Believe it or not - that's not the entire list! For more information on Summer events or to get some local advice planning your Summer trip, call our Office!

## FLY DIRECT

This winter, visitors to Jackson Hole can fly direct from major cities including Chicago, Denver, Los Angeles, Salt Lake City, Atlanta and Dallas/Fort Worth.



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