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### **WAS THAT A DEBATE OR A JOKE?!**

It's been about a week since the Trump-Biden debate, and I'm still wondering whether I watched a presidential debate or a parody from SNL. At times, it appeared to be two 5-year olds slinging insults back and forth, with very few questions getting a decent answer from either side. As for the President, he appeared to be a feeble, tired old man that couldn't string together two sentences. In today's world, I don't think the President of the US can afford to look anything less than stable and resilient. This was a sad night in that respect and the future is very uncertain. Talk of a replacement for Biden has been very active since the debate. Unless that happens, I would expect Biden to get slaughtered in the election. I can't imagine anyone voting for him, not after what occurred in the debate last week. This has the potential to affect other races too, as it reflects badly on the Democratic Party. A Republican landslide in November could give the party control of the presidency *and* both houses of Congress. In such case, the Trump tax cuts would likely be extended beyond 2025 and presumably expanded upon. Democrat's feel that the Trump tax cuts only benefit wealthy billionaires, but that's not true. Every one of our clients has done better than they did in the pre-Trump era, from the expanded standard deduction, lower income tax brackets and various tax credits.

Recently, Trump floated the idea of replacing the income tax with an excise tax on foreign goods. This would have worked a century ago when the income tax was still insignificant. But today, it represents a huge portion of federal receipts. This would be financial suicide and probably spark a new trade war, so the likelihood is low.

If Democrats somehow manage to regroup and win the Whitehouse, the Trump tax cuts will probably get the axe, though there may be some offsets to some of that elsewhere that prevents a tax hike on the middle class. All of this makes any effective tax planning very difficult going forward, as we presently don't know what the tax code will look like next year. For now, there are still some areas untouched: the 0% capital gain rate from the Bush-era, solar tax credits, EV tax credits, losses from rental properties (capped at \$25,000), IRA and HSA deductions, self-employed health insurance, home office deductions, low-income housing and historic renovation tax credits, among others. Any major expenditure items should wait until after the election.

## FINANCIAL MARKET UPDATE

Although the major stock averages are hanging around new highs, most of the activity has been inspired by just a few big name issues, such as Nvidia, Apple, Tesla, etc. Investor sentiment is still very high, which is a dangerous combination with a market that is overvalued in most cases. I believe a more contrarian strategy would be effective: seeking out those opportunities that are not presently making headlines. To follow up on what we discussed last year, gold and silver prices have continued to move higher, with gold hitting \$2450 and silver, \$32.56. As we've utilized mining shares for the past five decades, we have to stick with what we know, and they represent one of the best ways to participate in what appears to be the early stages of a multi-year advance in gold, silver and platinum group metal prices (PGM's). This latter category is a new adventure, as there are few tradable PGM stocks, unlike gold and silver issues that are well populated.

One issue we like in this area is **Platinum Group Metals (PLG, \$1.90)**, which has a dual interest of developing a lithium-sulfur battery and 50.4% of the Waterburg PGM Project in South Africa. The PGM Project has an estimated in-situ value of \$220 billion at current metal prices, but is not yet in production. If they were successful in developing the next generation of Lithium battery, its wide-ranging uses would be worth billions in revenue. At present, the stock is reflecting only gold and silver markets, as it has a chart pattern similar to larger players like **AEM** and **ASA**. Should it start trading on the battery potential, the upside could be phenomenal. In addition to buying the stock outright, there are two call options (Oct & Jan), which also offer the potential to establish a long-term holding period for capital gains deferred into 2025 and beyond. We recommend doing your own due diligence prior to making any commitment.

Last year, we discussed the new beneficial ownership rules and the required filing with FinCen, which is 12/31/24. However, a district court ruled this law unconstitutional, which the government is now appealing. Meantime, we may as well wait until closer to year-end to file any reports with FinCen.

While we're between tax seasons, this is a good time to review your accounting system, which in many cases, is centered on QuickBooks. The fact that Intuit is phasing out the desktop version in favor of subscription-only pricing is a deterrent to adopting this program. An older Windows PC or laptop with a desktop version may be the best solution for now. I've never liked the idea of having accounting software on the Internet, and calling it the Cloud doesn't make it feel any more secure!

Dale Schwartzenhauer, CPA  
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