

Financial, Legal & Tax Advisory

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Important to Have Qualified Specialists Handle Estate Planning

Several recent estate tax cases clearly show that individuals that set up estates that are not specialists create a lot of problems for their clients. Both attorneys and accountants that do not specialize in this area of the law are warned that their actions may not help their clients, but rather, may create more problems for their clients.

To mention a few problems:

1. A recent case said that a family member that had a power of attorney could not change a revocable trust and set up a limited partnership one week prior to the death of the father to remove the value of the assets out of the father's estate. The court held the transaction was illusory and the full value of the business would be in the estate.
2. Another case involved an attorney that did not comply with deadlines in filing estate taxes. The court held that reliance on the attorney was reasonable and no penalty or interest would be due. The attorney even had the estate pay more taxes than were due on the tax return.
3. Finally, an accountant handling an estate for someone that did not owe estate taxes, failed to file a tax return. As a result, the qualified election for property to a spouse was lost. The court granted extra time to make the election so the surviving spouse did not have to pay extra taxes.

Estate planning is very important to all of us as long as the estate tax law is in existence in the U.S. As a matter of fact, the IRS has recently released information about how important the estate tax is to the US. Over 11,917 estate tax returns were filed in a recent year. Of the taxable estates, 13.5% did not owe taxes, but the remainder owed estate taxes such that the total amount produced income to the U.S. Treasury of \$17.09 billion dollars. (And this is only for one year.)

An interesting breakdown of the assets on the tax returns showed that traded stock, state and local bonds, cash and closely held stock and real estate (other than a personal residence) amounted to a total value of \$60.12 billion dollars.

Do not hesitate, create an estate plan now and keep it current as your situation changes and the laws change. Use qualified professionals that specialize in estate planning. Remember, the Center has specialists that stay current with the tax laws and specialize in estate planning. We are currently reviewing all of our records, so if you have had an estate plan prepared by us in the past, be on the lookout for a letter regarding updating your plan to the current forms and tax laws. The Center routinely advises on tax planning, business valuations, succession planning and estate planning. If you would like to talk to one of our professionals, please contact us at 618-997-3436 to schedule your free initial consultation.

Basi, Basi & Associates at The Center for Financial, Legal & Tax Planning, Inc.

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WHY IT'S IMPORTANT

TO HAVE QUALIFIED
SPECIALISTS HANDLE
ESTATE PLANNING



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