

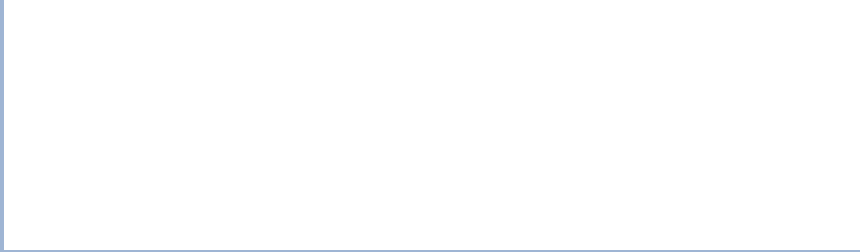
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Art of the Estate Tax Return, by Keith Schiller, Esq. has received acclaim from practitioners across the country, garnering the 2010-2011 Award for Best Course Materials from the CalCPA Education Foundation. The comprehensive textbook continues to be lauded by readers for its relevant examples and poignant analysis of issues. Stephan R. Leimberg, publisher of Leimberg and Le Clair, Inc. says "Don't dare file another estate tax return until you read this book!". Charles W. Morris, former IRS Territory Manager Estate and Gift, for the Western United States, authored the Foreword, and exclaims, "[*Art of the Estate Tax Return*] is by far the best work on the subject that I have ever seen. By far!"

On November 8, 2011, Keith Schiller will be conducting a national webinar entitled, "Form 706 — The Art of the Estate Tax Return Preparation," under the sponsorship of BNA. Participants will receive *Art of the Estate Tax Return* plus the first supplement and illustrated Form 706 for a death in 2010.

Innovative Estate Planning Productions, Inc. is the official publisher for the Schiller Law Group, a PLC. As such, we are equally committed to the exceptional quality of our educational materials and to increasing the effectiveness

of the practitioner. We hope you will join us by becoming a subscriber. We are including in this issue, references to some of the updates our current subscribers have already received, as well as full details on book and subscription ordering. Please enjoy this final issue of *Future* and join us, the Schiller Law Group and Innovative Estate Planning Productions, on our continued mission to achieve highest success in the accountancy and tax profession.

~ Schiller Law Group, a PLC
Innovative Estate Planning Productions, Inc.
Keith Schiller, Esq.

Thank you on behalf of the Schiller Law Group, Innovative Estate Planning Productions, and Keith Schiller. We have valued your readership and we look forward to seeing you on our new subscription list.

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Future

C R E A T I V E D I R E C T I O N

The Final Edition

Our Vision:

We are the preeminent law firm providing counseling to individuals and businesses in the fields of estate planning, probate and trust law, business succession, taxation and representation before the IRS and other tax compliance agencies.

Our Mission:

To deliver highly effective legal representation to our clients by enhancing the wealth and success of our clients, advancing the interests and transactions of our clients through result-oriented advice, protecting our clients before taxing authorities, securing the legacy and value of family and closely held business, and assisting the accountancy profession to achieve greater success for its members.

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Dear Friends, Fellow-Professionals, and Loyal Readers,

Extra! Extra! This is your final edition of *Planning for the Future* ... at least as a newsletter focused for estate planning professionals. We are excited to announce, in its place, the subscription service to supplements of *Estate Planning At The Movies™* — *Art of the Estate Tax Return* (referenced herein as *Art of the Estate Tax Return*). Clients of the Schiller Law Group will continue to receive *Future* as an abbreviated newsletter tailored for the non-professional audience.

Future has been offering professionals and clients creative articles with pertinent tax and planning illustrations since the 1990s, acquiring more than 3,000 readers. It has been a pleasure to provide this service to clients and the professional community alike, and we value the feedback and input that readers such as you have contributed to *Future*.

Due to the vast expansion of the subscription service of *Estate Planning At The Movies®*, however, we recognize that we can better serve you by offering a publication service specifically for the tax professional. Rest assured, if you subscribe, you will continue to receive the practice tips, examples, and expert insights of Keith Schiller, but with expanded technical coverage. The subscription service continues the mission of the Schiller Law Group to assist the accountancy profession to achieve greater success for its members by offering a significant upgrade in the depth and frequency of practice tips to the greater compliance community.

The subscription service offers you:
*One bound supplement per year to update the original text, *Art of the Estate Tax Return* (or a new and updated edition in lieu of a supplement), plus, a sample completed estate tax return for the estate of each of a married and unmarried decedent.

*At least 2 e-newsletters geared specifically to tax practitioners, complete with examples, issue analysis, and the latest news in estate tax legislation, case law, audit practices, and more.

*Additional e-mail news flashes and timely updates of significant current developments that demand immediate release.

*Invitations to webinars and presentations conducted by Keith Schiller to address estate tax, gift tax, and GST tax issues.

Subscribers in 2011 have already received their first e-newsletter and 2 additional update flashes.

All purchasers of *Art of the Estate Tax Return* have already received the first supplement and will receive a sample illustrated Form 706 for a death in 2010. Readers of *Art of the Estate Tax Return* can enroll in the ongoing subscription service for additional updates, newsletters, and other benefits.

Continues on page 8

In this Issue:

- Save \$25 on your Book and Subscription Order (pg 3)
- Announcing BNA Webinar (pg 4)
- Revised Filing Deadlines (pg 5)
- Retained Interest Analysis (pg 6)
- *And more!* See inside.



CRUMMEY TRUSTS AND FUTURE INTERESTS

Crummey trusts have been used for decades in order to qualify a gift for which restrictions are intended, as an unconditional gift. A gift without restrictions on benefits is treated as a gift of a "present interest." Gifts of present interests receive the annual exclusion for gift taxes. The annual exclusion is currently \$13,000 per year on each donor's gifts to a particular individual.

On the other hand, a gift that is made with "strings" or that is not fully enjoyable when the gift is made, cannot reduce the taxable gift by any annual exclusion. A gift of a "future interest" of \$1 is treated as a taxable gift of \$1.

Crummey trusts allow gifts to be considered as "gifts of present interests" and to qualify for annual exclusion treatment even though the gift is made in trust with fleeting enjoyment. The trick is the withdrawal right that the donee receives when the gift is made. With standard estate planning, the trustee of the trust provides written notice to the donee of the gift and informs the donee of his or her right of withdrawal within the period specified in the trust (normally 30 days).

The withdrawal right allows the donee to receive the amount gifted (up to the annual exclusion amount). This right to demand receipt gives the donee an immediate and present right to the gift (up to the limitation of the withdrawal right).

The donor may have every reason to be really peeved if the donee exercises his or her demand right. For that matter, the donor could be so angry as to disinherit the un-cooperative donee. The donee may be aware of this theoretical risk. This hammer, however, does not preclude favorable present-interest tax treatment when the demand right is legally enforceable and there is no agreement that the donee will not exercise his or her demand right.

Recent court cases have continued (or honed) the law regarding qualification for present-interest treatment. These cases have considered two issues:

- Will a gift of a limited liability company (LLC) or limited partnership (LP) qualify as a gift for annual exclusion purposes? This issue exists regardless of whether a Crummey trust is part of the plan. 😊
- Is the gift treated as a gift of a present interest even if the trustee fails to give the donee written notice of the gift? 😊

No Notice? ... No Sweat ... At Least This Time 😊

Note from Keith Schiller: I had the opportunity to sit with Richard Koenig, Esq., the estate planning attorney and inventor of the Crummey trust, during a meeting of the Stockton Estate Planning Council on September 20, 2011. Mr. Koenig harbors no ill will that the Crummey Trust was not called the "Koenig Trust." Estate planners, life insurance agents, and taxpayers offer a debt of gratitude to Mr. Koenig. I hope he enjoyed the reference to Crummey trusts and the movie *Troy*! (gifts inside of which traps lurk) during the presentation of *Estate Planning At The Movies® — Reeling with Estate Planning in 2011*.

Turner v. Comr., T. C. Memo 1997-302 raises two lapses by the taxpayer, which the IRS used to challenge the present-interest character of the gifts. First, gifts with an irrevocable life insurance trust (ILIT) were made directly to pay premiums, not placed in the trust by the donor, with the trustee then making premium payments. (The best planning also recommends that the gifts to the trust be made a sufficient number of days ahead of time if liquid funds, or

access to liquid funds, do not already exist in the trust to satisfy demand rights.) Second, no notice of the gifts was made by the trustee to the donee.

On the first issue, the Tax Court in *Turner* concluded that annual-exclusion treatment was also afforded based on the existence of an enforceable legal right, notwithstanding the absence of notice or the fact that the gifts were not directly made to the trustee. Again, there was no agreement that the demand right would not be exercised.

The *Turner* decision is consistent with *Cristofani v. Comr.*, 97 T.C. 74 (1991). In that case, the Tax Court found that a legal right is sufficient even if the beneficiary to whom notice is given is one who by any measure of economics and value be so foolish to not exercise the right. This latter case upholds the withdrawal power when granted to remote contingent remainder beneficiaries — so called "Dummy Crummey's".

On the second issue (lack of notice), the *Turner* court ruled consistently with *Holland v. Comr.*, T.C. Memo. 1997-302, wherein present-interest treatment was extended to a trust that granted withdrawal rights, yet the beneficiary did not receive annual notices.

Focus on Good Planning, Not Defense Fortune in Litigation

Does following *Turner* chart a sound course in estate and gift planning practice? No. The best practice is to give notice to beneficiaries and retain a copy of that notice. Notices should be given annually. Also, run the money through the trust and keep it sufficiently liquid to meet demand rights. *Turner* is, however, a great defense case when best planning techniques are not followed. Keep in mind that audits are expensive and fees to defend gift tax cases do not reduce the gift tax. This issue is discussed in *Art of*

Continued on page 5

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Continued from page 6

are doing just that. They are gambling that they will outlive their fellow partners or members. The more fellow owners and the older the partner or member, the worse the odds. In case you are wondering, here's how the gamble works.

The Story of Ace's Up, LLC: Sam, Ginger, Nicky, and Andy are members of Ace's Up, LLC, which owns a large resort in Orange County. The LLC agreement provides that on the death of any member, each of the other members has the option to purchase the interest of the other member at fair market value and terms stated in the agreement. Transferees of LLC interests, whether during life or on death, are not admitted as a substitute voting member unless all of the other members consent. If consent is not given, the recipient receives an economic-only, non-voting interest. Only the survivor(s) can vote. The enterprise value of the LLC is \$40 million.

Will Luck Be With You or Run Off With Another?

The gamble is twofold. First, will the option to purchase the interest of a deceased member be exercised? Second, who will be the last surviving member?

If the option to purchase is not exercised, the membership interest can only be transferred, with voting rights, with the consent of the other members. If consent is not given, only the survivors can vote. Some agreements might require a buy-out or compel dissolution if an interest is not purchased. However, those alternatives are not part of the example. Moreover, those alternatives are not part of a lot of agreements.

From an estate tax standpoint, the absence of a compelled buy-out or liquidation right can help lower estate tax. In deals among non-family members (who are also not objects of bounty), the valuation discounts with estate tax

savings will likely arise. Among family members, discounted values can be achieved if the LLC conducts a business and state law does not require a buy-out of dissolution.

The second gamble creates its own storyline. The gamble (or betting action) rests with the question, *Who will be the last living member?* While some actuarial study might predict the likely survivor, no honest person knows the outcome. Let's assume that Sam, Ginger, Nicky, or Andy are honest folks and will not try to stack the deck through assorted felonies.

in value (\$40 million enterprise value x 0.25= \$10 million x 0.1= \$1 million). On the other hand, the owner of a 50% (or worse for that owner, a 51% or greater interest) might lose \$10 million or more with the loss of voting rights.

Appraisers can opine on the amount of the loss suffered when voting rights of the decedent are lost. In any of these ranges, the gamble is big. The gamble is a type of tontine agreement. A tontine agreement pays off for the last survivor. While the gamble is not a strict tontine arrangement, the payoff for the value of voting rights (and loss by others of those

***The IRS has determined to increase gift tax return audits** as part of its work plan for 2012. The increase in audits continues a recent trend. In view of the reduced number of estate tax return filings, Form 709 will be an increased battleground.



*The IRS is beefing up its litigation support for estate and gift tax cases that are not resolved in audit. For the first time ever, the IRS is hiring Grade-14 employees (a spot reserved for litigators, managers, among others) to review files, statutory notices and support District Counsel through litigation. This will likely result in a more coordinated IRS defense by continuing staffing familiar with a case through the dispute-resolution process.

Assuming none of the prior options to purchase are exercised, only the last member living will be able to vote. The estates of the predeceased will have their right to distributions and share of the income. However, this type of economic interest does not include voting rights ... at least not on most issues.

How Big is the Gamble?

The difference between voting and non-voting rights can be a big deal! When the membership interests are in small percentages and do not reflect control, the discounts may be 3-10%, more or less. However, when the membership interests are substantial, the discount for lack of voting rights can reach 50%. Check out the *Adams* case in *Art of the Estate Tax Return*, chapter 14, §14.9.

Thus, depending upon the size of the interests owned by each of our Ace's Up, LLC members, and how many of them are living, a 10% discount for lack of voting rights for a 25% owner might amount to a loss of \$1 million

rights) inures to the benefit of the last surviving member in Ace's Up, LLC.

Business owners should review the contracts to determine: (i) on death or transfer, is provision made for buy-out?; (ii) will certain transfers include voting rights for the recipient without the need for approval from others?; (iii) if the arrangement of buy-out is by option, is there any consequence to the other owners if the option is not exercised such as liquidation or a forced buy-out; (iv) is life insurance being used to help pay for buy-outs?; and, (v) is the loss of the voting rights acceptable?

Contact Keith Schiller for assistance with the review of buy-out rights and formula of alternatives to preserve the business and protect the decedent's estate. If estate tax savings is the objective, have the tax and non-tax implications been weighed?

See page 4 for Upcoming Speaking Events and Subscription Information.



UPCOMING SPEAKING EVENTS BY KEITH SCHILLER: for further information on attending any of the following events, please contact Lauren at lleonard@slg4law.com or call (925) 258-0123.

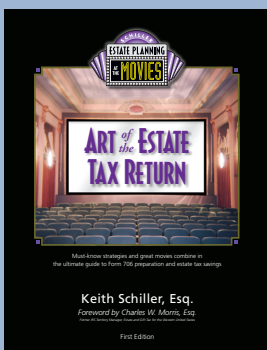
- **November 4th:** *Estate Planning At The Movies® — Reeling with Estate Planning in 2011* for the Ventura Community Foundation's professional advisor's symposium, Through the Looking Glass VIII, held in Ventura, California.
- **November 8th:** Webinar hosted by BNA Tax Management: *Form 706 – The Art of Estate Tax Return Preparation*. Participants may submit questions in advance to ensure that their selected issues are addressed.
- **November 10th:** *Estate Planning At The Movies® — Reeling with Estate Planning in 2010, 2011 and Beyond* for the 16th Annual Professional Advisor's Symposium, held in La Jolla, California.
- **November 17:** *Strategic Approaches to Form 706 & Compliance Issues* for the Western CPE™ Family Business and Investments Succession Planning Conference held at the Omni Tucson National Resort in Tucson, Arizona. (Conference dates are November 14-18, 2011).
- **November 21 (Universal City) and 22 (San Francisco):** *Compliance Issues in Estate Planning* for the CalCPA Education Foundation's Tax Update and Planning Conference.

Subscription Service for Estate Planning At The Movies®

The Subscription Service for Estate Planning At The Movies® will provide you with the latest news from the IRS, timely delivered straight to your e-mail inbox. In addition you will receive illustrated sample estate tax returns for the deaths of each of a married and unmarried individual for the relevant taxable year, a minimum of two electronic newsletters full of pertinent 706 filing information, practice tips, and examples. For each subscription year, you will receive one bound supplement to your textbook, *Estate Planning At The Movies™ — Art of the Estate Tax Return*, invitations to speaking events, and webinars conducted by Keith Schiller and other benefits. First-time subscribers even receive a protective case to display the First Edition of the text and supplements upon issuance of the 2012 bound supplement!

Current subscribers have received News Flashes regarding Notice 2011-66, Notice 2011-76, Rev. Proc. 2011-41, revised filing and payment dates, GST direct skip transfers in 2010, DSUEA elections for deaths in 2011, and more.

If you have not already purchased *Estate Planning At The Movies™ — Art of the Estate Tax Return*, we urge you to learn the best practice tips from Keith Schiller by completing the order form on page 3 of this newsletter. We are offering an exclusive deal to our valued newsletter recipients: Purchase a 1-Year Subscription with *Art of the Estate Tax Return* and receive \$25 off the price of the book! This offer, is not available online.



by Keith Schiller Esq.

Foreword by Charles W. Morris, Esq.

Former IRS Territory Manager, Estate and Gift for the Western United States

Art of the Estate Tax Return combines Keith Schiller's years of experience co-teaching with IRS estate tax attorneys, appeals officers, and managers. Highlight features of this 864+ page text include:

- Maximize valuation discounts and deductions
- Protect FLPs and LLCs
- Secure best appraisal results
- Tips to avoid audits
- Pointers on GST reporting
- Cautions and help for fiduciaries
- Warnings and opportunities from inconsistencies in the law
- Compliance and planning for DSUEAs
- Strategies for audits and appeals
- Comprehensive analysis
- Complete with 2 illustrated estate tax returns, + upcoming illustrated return for 2010 death!
- and MORE!

Continued from page 2

the *Estate Tax Return*, chapter 6, §§6.3 and 6.4.

Also, audits can turn up other issues and encourage the IRS to go on a “fishing” expedition through the gift or estate tax return. Maybe other issues lurk, and the estate planners or taxpayers were lax with the details and law on other issues.

LP Interests Denied Present-Interest Treatment

On the second issue, a district court continued a line of cases that held that that restricted provisions and management controls in an LP interest cause the gift to be classified as a gift of a future interest. *Fisher v. U.S.*, 2010-1 U.S.T.C. ¶60,588 (S.D. IN). The controls of management, which typically limit distribution rights and access to capital, and the restrictions on transfer of LP interests created contingencies that were too limiting to be considered present interest. This case follows a line of decisions commencing with *Hackl v. Comr.* 335 F.3rd 664 (7th Cir. 2003). This issue is discussed in *Art of the Estate Tax Return*, chapter 6, §6.7.3.

The restrictions in the LP agreements (or LLC agreements) that create valuation discounts also make more difficult the treatment of the gift of a membership/partnership interest as one that can qualify for the annual exclusion. Alternatives exist when the donors want to gift LLC or LP interests:

+/- The LLC/LP agreement could include exemption from the consent requirement on any transfer made within the Crummey Notice withdrawal period. However, that could enable people who are unwanted into the entity to become partners or members.

+/- The donee-member or partner could have a withdrawal right to partnership capital during the notice period. This would substantially reduce, if not eliminate discounts.

+/- It is at least arguable, and logical, that a provision in the entity agreement that compels distribution of income to some percent would allow annual-exclusion treatment to apply. After all, a gift in trust that requires the distribution of all net income or pays an annuity, enables the gift to be treated as one of a present interest to the extent of the present value of the income/annuity interest according to the valuation tables. See, Reg. §25.2512-5(d)(1). For this argument to have a chance, the automatic distribution right would need to be expressed in the agreement. The actual making of distributions has been held by at least one court to not justify present-interest treatment when the terms of the agreement are restrictive. *Price v. Comr.*, T.C. Memo 2010-2.

+ If the restrictions are important, then make other gifts during the year that clearly qualify for annual exclusion treatment. The annual exclusion is applied to the earliest of those gifts that qualify for annual exclusion treatment. Code §2503(b).

+ File gift tax returns and make adequate disclosure when an issue may exist regarding present-interest treatment. This recommendation applies even if the value of all gifts of a present interest are less than the annual exclusion amount. Attach a copy of applicable agreements (assignments and LLC/LP Agreements). See, Reg. §301.6501(c)(1). If the IRS does not audit within three years, the gift tax return may be treated as final on transfers disclosed. It is better to find out early if a problem exists than to allow the IRS to get a bigger bite during an estate tax audit. For further discussion, see *Art of the Estate Tax Return*, chapter 6, §6.8.

The Schiller Law Group continues to provide assistance to clients with gift and estate planning and compliance issues. We also review gift tax and estate tax returns for professional tax preparers or their clients.

FILING DEADLINES

IRS Notice 2011-76 establishes the procedures for extending the time to file and pay estate tax for deaths in 2010. It also establishes January 17, 2012, as the due date for the filing of the Form 8939 (to make the Code §1022 election).

Notice 2011-76 and Form 706:

(1) Executors who filed Form 4768 by the un-extended due date for filing Form 706 or Form 706-NA were granted both an automatic extension of time to file the estate tax return (or estate tax return for a non-resident alien) and automatic six-month extension of time to pay estate tax. The taxpayer was not required to substantiate the reason for requesting the additional time to pay estate tax. The six-month extension of time to file and pay is granted to March 19, 2012 (or 6 months after the normal due date for deaths after December 16, 2010). **CAUTION:** An extension request to file and pay must be *timely* filed. That means the request should have been filed no later than September 19, 2011 for a decedent dying between January 1, 2010 and December 16, 2010.

Comment: Making an extension of time to file the estate tax return and/or pay estate tax does NOT preclude the estate from filing Form 8939 and electing out of the estate tax regime. This was discussed in the first e-newsletter (dated September 12, 2011) of the subscription service for Estate Planning At The Movies®.

(2) Decedents dying between January 1, 2010 and December 16, 2010: If Form 4768 was filed timely, the IRS will not impose a late filing and late payment penalty if the estate timely files Form 706 (or Form 706-NA) and the estate pays the estate tax by March 19, 2012.

(3) Decedents dying between December

Continued on page 6

Prefer not to receive mail from us? Have a comment or suggestion?

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¹ *Troy*. Warner Brothers © 2004. All rights reserved.

² *Dirty Harry*. Malpas Co., Warner Brothers © 1971. All rights reserved.



Continued from page 5...
Filing Deadlines

17, 2010 and December 31, 2010: If Form 4768 was filed timely, the IRS will not impose a late filing and late payment penalty if the estate timely files Form 706 (or Form 706-NA) and the estate pays the estate tax by the extended due date. For example, the extended due date for a decedent dying on December 21, 2010 will be March 21, 2012.

(4) Executors who are abroad (under Code §6081) may receive an additional extension of time to file and pay estate tax.

Notice 2011-76 and Form 8939:

Notice 2011-76 extends the time to make the election under Code §1022 to January 17, 2012, for the filing of Form 8939 (Allocation of Increase in Basis for Property Acquired from a Decedent) for deaths in 2010. The previously announced due date was November 17, 2011. No further extensions of time to file Form 8939 will be granted. No amendments are allowed under safe harbor rules to elect into or out of a Code §1022 election once made or not made. A narrow and expensive ruling request procedure exists for late elections. A penalty for late reporting of information to transferees under Code §6716 will not apply if the executor timely files Form 8939 on or before January 17, 2012.

Executors who file a Form 8939 and make the Code §1022 election may allocate GST exemption on Schedule R or Schedule R-1 to that form.

Comment: Notice 2011-76 provides for less time to make GST exemption allocations contrary to automatic allocation rules when Form 8939 is filed (i.e., the due date of that return) than if Form 706 is filed (March 19, 2012 if the time to file is extended, or 6 months from the normal due date for decedent's dying between December 17, 2010 and December 31, 2010).

The estate cannot file both Form 706 and Form 8939. If different execu-

tors file each of these returns, the IRS will notify the executors to agree on one return upon 90-days' notice. If a consistent return is not filed, under one regime or the other, the IRS will determine which regime applies. See, Rev. Proc. 2011-41.

Notice 2011-76 does NOT extend the time to file any income tax returns.

Good News! Page 4 of this newsletter includes a list of upcoming conferences and courses, including a BNA webinar in which Form 706 and 8939 compliance will be discussed.

Practice Reminder: If an extension of time is filed and no estate tax return is later required to be filed with the IRS, the author recommends that a letter be mailed to the IRS to inform the IRS that no estate tax return is required.

**RETAINED INTEREST ANALYSIS
EXTENDED TO CRUSH
ANOTHER FLP**

Turner v. Comr., discussed earlier in connection with annual-exclusion treatment, includes important lessons regarding LP or LLC gifting among family members if the donors and estate want the transfer of entity interests respected and the gifts removed from the gross estate. The court concluded that gifts of FLP interests should be brought back into the gross estate and the underlying assets, not the FLP interests, should be valued for gift tax and estate tax purposes. In the process, the court applied both Code §2036(a)(1) and (a)(2) to reach its conclusion. The court concluded that the reasons expressed in the FLP agreement for forming the entity were the result of a "form agreement" of the law firm, not provisions tailored for the particular entity. The court was also concerned that the FLP was formed with the primary motive of saving gift taxes (a letter referenced the importance of appraisals with gift tax planning). Of greater concern, however, were the

extensive powers reserved to the general partner, including the right to amend the FLP agreement, as a result of his general partnership authority and limited partnership interest. There was also delay in the transfer of assets. On the other hand, the decedent and his spouse retained substantial assets and income sources outside of the FLP.

Had this case been litigated 10 or more years ago, it may not have reached a Tax Court decision. The IRS was selecting the truly "piggy" cases at that time ... FLPs in which the decedent retained few assets and for which the decedent was dependent upon distributions. The unique provisions of the FLP agreement and the powers granted may have raised IRS fervor at that time. However, since *Estate of Bongard v. Comr.*, 124 T.C. 95 (2005), the taxpayer must establish the existence of a substantial and legitimate non-tax purpose. The focus of the courts has advanced.

Added Note: While *Turner* does not arise in the Ninth Circuit, taxpayers residing in a state within that circuit and their planners face the additional limitation that gift planning is not a purpose recognized under the *Bongard* test. *Estate of Bigelow v. Comr.*, 2007-2 U.S.T.C. ¶60,548, *aff'g* T.C. Memo. 2005-65.

WOULD YOU EVER BET \$10 MILLION ON A BLACKJACK HAND OR ROLL OF THE DICE? WELL ... YOU MAY BE DOING JUST THAT!

Most people's arms start to tingle over the thought of betting \$100 or \$1,000 or \$10,000 on a roll of the dice or hand of blackjack. Others seek that thrill. At whatever level one may want to gamble ... think "Do you feel lucky?" from Clint Eastwood's character in *Dirty Harry*². Few gamblers would ever hazard a \$10 million bet on an unrigged game.

Yet, the owners of many limited liability company or limited partnership interests

Continued on page 7...

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“This is the best resource available
 for estate tax return preparation ...
Art of the Estate Tax Return is BNA on steroids!”

-Joe Stemach, Former IRS Estate Tax Attorney, now in Private Practice