

THE NEW ESTATE TAX LAW:

HUGE OPPORTUNITIES FOR  
THOSE WHO ACT IN 2011-  
2012



# **WHY ARE THERE HUGE OPPORTUNITIES FOR SUCCESSION PLANNING NOW?**

**Discounts still available**  
**Historically Low Interest Rates**  
**Low Asset Values**  
**New Tax Law**

# The Tax Act of 2010

- ❑ **Estate Tax Exemption for 2011-12:**  
**\$5,000,000 per person (\$10,000,000 per couple)**
- ❑ **Estate Tax Rate: 35%**
- ❑ **Portability**

# The Tax Act of 2010

- ❑ **Lifetime Gift Tax Exemption for 2011-12:**  
**\$5,000,000 per person (\$10,000,000 per couple)**
- ❑ **Gift Tax Rate: 35%**
- ❑ **Annual Gift Tax Exclusion: \$13,000**

# The Tax Act of 2010

- ❑ **Generation-Skipping Tax Exemption for 2011-12:**

  - \$5,000,000 per person (\$10,000,000 per couple)**

- ❑ **Like a Vaccine that Inoculates Your Wealth from Estate Taxes for Generations to Come**

# TWO BIG GOALS OF SUCCESSION PLANNING

- Family business survives and thrives
- Family can still enjoy Thanksgiving together

# 5 BIGGEST FEARS RELATING TO SUCCESSION PLANNING

- **“I don’t want to lose control.”**
- **“I am not ready to give it all away.”**
- **“There won’t be anything left for us to live on.”**
- **“I am not ready to retire.”**
- **“We don’t want to cause dissension in the family by raising these issues.”**

# SUCCESSION PLANNING TOOLKIT



- **Gifts**

- **Discount Planning**

- **Family Limited Partnerships**
- **Voting and Non-Voting Shares**

- **Dynasty Trusts**

# SUCCESSION PLANNING TOOLKIT

*(continued)*

- **Intentionally Defective Grantor Trusts**
- **Installment Sales**

# SPECIAL CONCERNS



- **FSA Eligibility**

- **Reclamation Law Eligibility**



***ANY QUESTIONS?***