



# HENSON EFRON

## “Heckerling Update”

50<sup>th</sup> Annual Heckerling Institute, January 2016



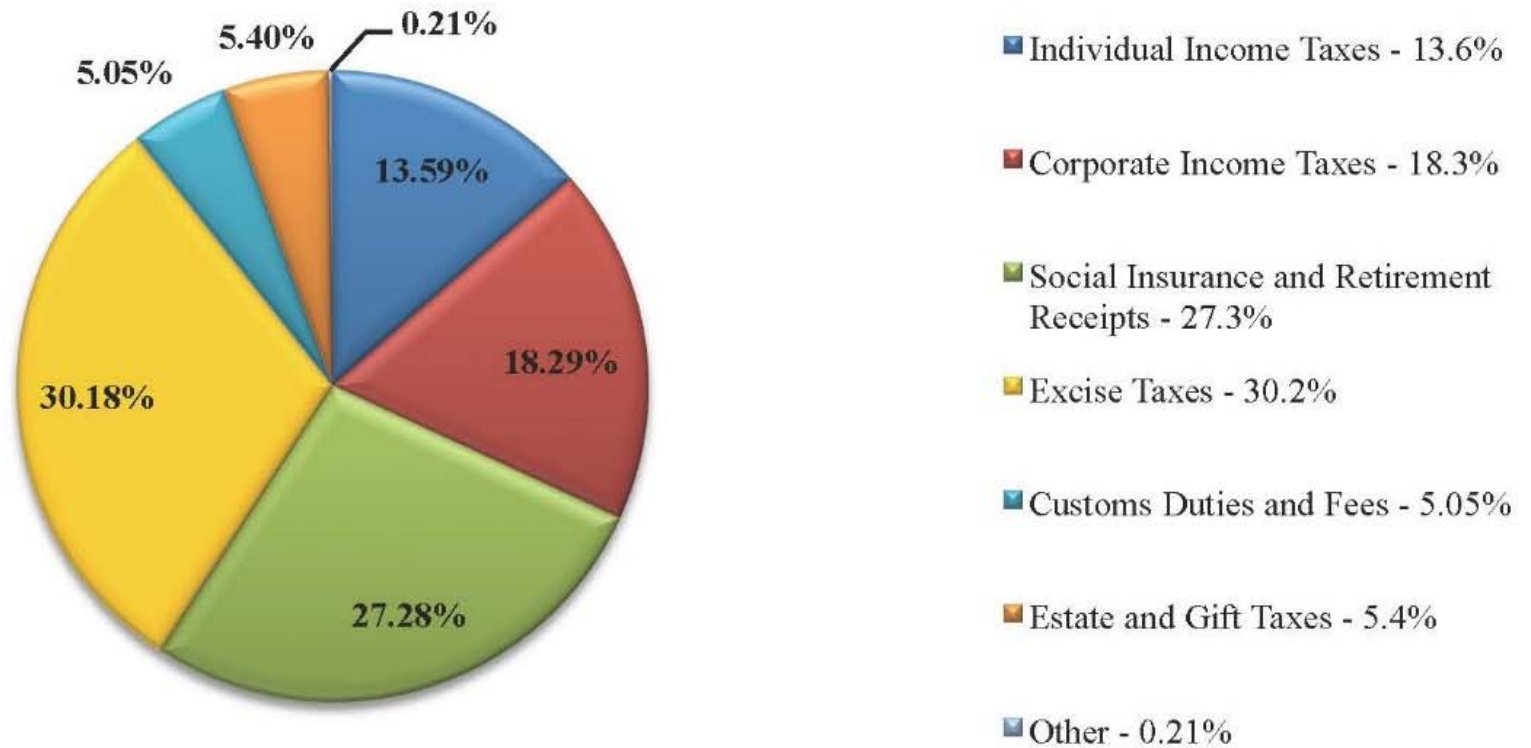
PRESENTED BY:  
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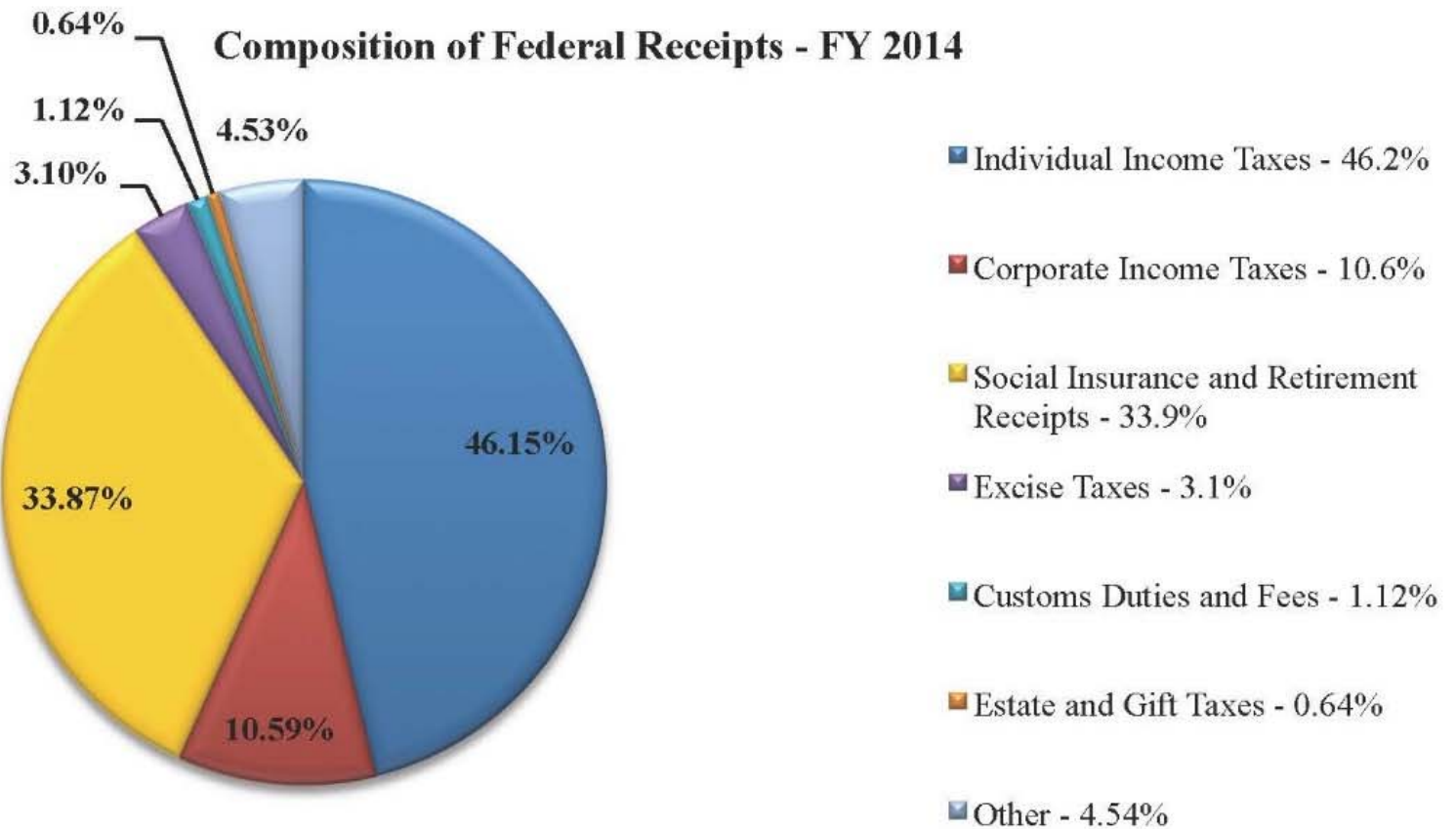
# Perspective

### Composition of Federal Receipts - FY 1940



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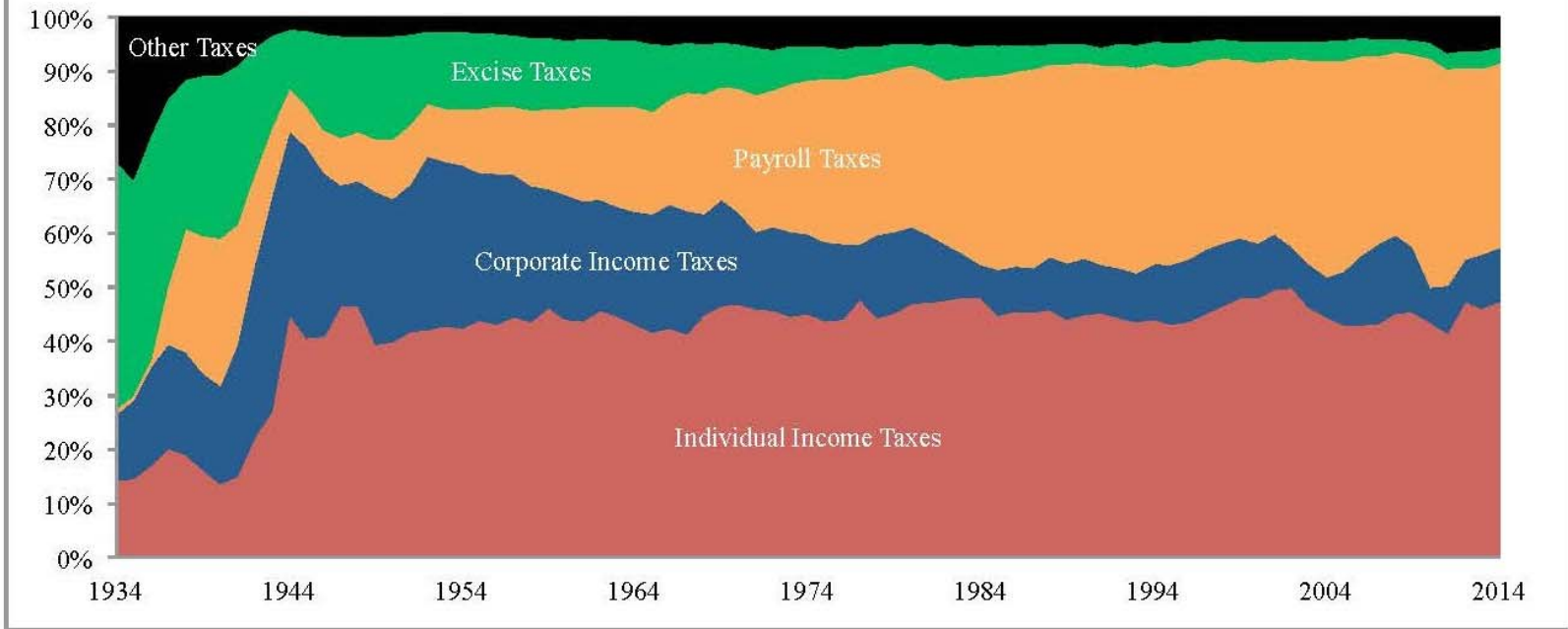
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**The Composition of Federal Revenues 1934 - 2014**



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# Recent Developments



*If you missed all of 2015,  
did you miss anything important?*



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# Recent Developments

## 1. Section 529A; ABLE Act

- a. Available in Minnesota?
- b. Rulemaking still being refined.
- c. Expect to have clear direction by 2017.



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# Recent Developments, cont.

## 2. President Obama's 2016 fiscal proposals\*\*

- a. Restore estate tax to 2009 exemptions: \$3.5 million
- b. Modify GRAT rules
- c. Modify IRC Section 6166 rules
  - 1. Certain Estate Tax Deferrals
- d. Simplify annual gifts

\*Note also, consistency of basis requirement. IRC 1014 (b)

\*\* <http://www.treasury.gov/resource-center/tax-policy/Documents/General-Explanations-FY2016.pdf>



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# Recent Developments, cont.

## 3. State Taxation

### a. State estate Tax Chart

<http://media.mcguirewoods.com/publications/State-Death-Tax-Chart.pdf>

### b. Minnesota estate tax exemption



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# Recent Developments, cont.

## 4. Treasury Guidance \*

- a. IRS Priority Guidance Plan
- b. 12 projects under heading “Gifts and Estates and Trusts”.  
3 of those:
  - a. QTIP Elections and Portability
  - b. Defined value formula clauses
  - c. Valuation Discounts
- c. New IRS Form 8971

\* [http://www.irs.gov/pub/irs-utl/2015-2016\\_pgp\\_initial.pdf](http://www.irs.gov/pub/irs-utl/2015-2016_pgp_initial.pdf)



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# Recent Developments, cont.

## 5. Review of some important cases

- a. *Cavallaro v. Commissioner*, T.C. Memo 2014-189
- b. *Estate of Redstone v. Commissioner*, 145 T.C. No. 11 (October 26, 2015)
- c. *Mikel v. Commissioner*, T.C. Memo 2015-64 (April 6, 2015)
- d. Field Attorney Advice 20152201f (Issued March 13, 2015, released May 29, 2015)



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# Recent Developments, cont.

## 5. Continued

- e. *Aaron v. Deloitte Tax LLP*, N.Y. Sup. Ct., No 653203-2015 (Malpractice law suit filed Sept. 24, 2015)
- f. *Woelbing v. Commissioner*, T.C. Docket No. 30261-13 (filed Dec. 26, 2013); and *Estate of Marion Woelbing v. Commissioner*, T.C. Docket No. 30260-13 (filed Dec. 26, 2013)
- g. *United States v. Stiles*, 2014 WL 6775263, 114 A.F.T.R.2d 2014-6809 (W.D. Pa., Dec. 2, 2014)



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# Recent Developments, cont.

## 6. Portability

- a. Time to file
- b. Extensions

## 7. Closing letters



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## Recent Developments, cont.

8. Uniform Law Update
9. U.S. Supreme Court in the Age of Obama



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# Practice Tips

1. Ascendancy of Income Tax in planning
2. Coping with the global, technological, and changing landscape of advising



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# IRS Audit Practice Overview

1. Summons power
2. Attorney Client privilege; other privileges
3. Tax opinions



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# Net Investment Income Tax

IRC Section 1411 imposes a  
tax of 3.8% on certain income.



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# Lightning Round

Charitable Board Service

Estate Planning for Retirement Benefits - Natalie  
Choate

Institute brochure:

<http://www.law.miami.edu/heckerling/>



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# Questions or Comments?



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# Promotional materials

The announcement of this presentation stated:

“While we were enjoying mid-day high temperatures of -1 in Minnesota, Christopher Burns was absorbing the content of the **50th Annual Hecklerling Institute on Estate Planning** in Orlando, Florida. ”



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To make up for the guilt of missing this . . .



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