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Course Information

Course Title: *Tax Guide to Estate Planning #493424*

Recommended CPE credit hours for this course

In accordance with the standards of the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

CPA 2 (Accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

EA/OTRP 2 (All States) IRS: Qualified Sponsor number: *FWKKO*.

Course Description

Estate planning is when tomorrow becomes today! As a result of recent legislation, estate planning has been made surprisingly simple. This mini-course surveys wills, living trusts, gifts, insurance, marital property and probate avoidance. The will and trust forms are explored along with living wills, durable powers of attorney, and nominations of conservator.

Course Content

Publication/Revision Date: 3/1/2024.

Author: Danny Santucci, J.D.

Final exam (online): Ten questions (multiple-choice).

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study

NASBA (CPA): Taxes.

IRS (EA, OTRP): Federal Tax Law.

NAPFA: Taxes

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Instructions for Taking This Course

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- **You must complete this course within one year** of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Assignment & Objectives

As a result of studying the assigned materials, you should be able to meet the objectives listed below.

ASSIGNMENT

- * Estate planning team & administration
- * Unlimited marital deduction & applicable exclusion amount
- * Primary dispositive plans
- * Trusts
- * Annual gift tax exclusion
- * Annuities & installment sales to family members
- * Charitable remainder trusts
- * Family limited partnerships
- * Buy-sell agreements
- * Family documents

LEARNING OBJECTIVES

After reading the materials, participants will be able to:

1. Recognize members of the estate planning team including their role in the estate administration process, specify the unlimited marital deduction requirements, cite the applicable exclusion amount and identify the effects of stepped-up basis particularly, the repealed of modified carryover basis.
2. Determine the limits of a simple will and the advantages and disadvantages of living trusts.
3. Identify specialized estate planning tools and how they permit clients to pass more wealth and save death taxes, cite the uses of a durable power of attorney, and specify instances when a conservatorship is appropriate.

Notice

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Tax Guide to Estate Planning

**By
Danny C. Santucci**

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Preamble

“A Snapshot in Time”

To the amazement of many estate planning professionals, for most of 2010, the United States had no federal estate tax or generation-skipping transfer tax. A “modified carryover basis” regime was implemented to generally deny a step-up in the basis of appreciated assets at death. The federal gift tax remained in place with a \$1 million exemption and a 35% maximum rate. However, this situation did not last.

On December 16, 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (“TRUIRJCA”) was passed by Congress and later signed by the President on December 17, 2010. TRUIRJCA reinstated the estate and generation-skipping transfer taxes effective for decedents dying and transfers made after December 31, 2009. The estate tax applicable exclusion amount was \$5 million in 2011 under TRUIRJCA and was indexed for inflation for decedents dying in calendar years after 2011, and the maximum estate tax rate was 35 percent. For gifts made in 2010, the applicable exclusion amount for gift tax purposes was \$1 million, and the gift tax rate was 35%. For gifts made after December 31, 2010, the gift tax was reunified with the estate tax, with the same applicable exclusion amount and the top estate and gift tax rate was 35%. However, in the case of a decedent who died in 2010, TRUIRJCA allowed the executor of such a decedent’s estate to elect to apply the Internal Revenue Code as if the new estate tax and basis step-up rules had not been enacted.

In 2013, the American Tax Relief Act (“ATRA”) permanently increased the top estate, gift, and GST rate from 35% to 40% for transfers over the applicable exemption (or exclusion) amount. ATRA kept the exemption at \$5,000,000 as indexed for inflation since 2011. The TCJA has recently doubled the exemption and it was \$13,610,000 for 2024.

Planning for these and other changes is still unsettled. As a result, the student is warned that my observations, comments, and the following text are preliminary and will undoubtedly be refined later.

Good Luck!

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