

President's Message

Tax confusion abounds. What is going to happen to the Federal Estate Tax system, and related income tax "step-up" rules? The simple answer is "nobody knows". Of course, we can make some educated guesses, but they are no better than guesses. We know certain things for sure, including what the rules are right now (although unfortunately, we don't have all of the detailed answers about how the rules will be applied, particularly those relating to allocation of basis in the new "carry-over basis" regime). We also know what the rules will be as of January 1, 2011 if Congress fails to act during this calendar year.

Congress will likely take action this year because there is no broad appeal in Washington (or among taxpayers) for having the Estate Tax exemption regress to \$1 Million, and the tax rate return to 55%. Very recently, some key members of Congress have discussed the possibility of creating a means for taxpayers to pre-pay their estate tax while they are alive, and if they did so, they would pay tax at a lower rate. Interesting idea, but it raises a lot of administrative questions. Doesn't it seem like we continue to gravitate away from tax "simplification"?

So, what's a planner to do? I think the answer, in general, is to do what you've always done as a professional - communicate with and educate your clients. Tell them what we know and what we don't know. Evaluate their circumstances, and revise their plans if appropriate, to include reasonable contingencies and flexibility. Monitor future changes in the tax law. Finally, hope for reform legislation sooner rather than later, in which the rules are clear."

- Robert J. Silverman, Esq.

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“What’s So Different About Estate Planning for Family Businesses?”

Michael J. Jones, CPA and **DeeAnn L. Thompson, CPA** are going to talk this month about planning when a family business is involved. Multi-generational success in a family business requires higher levels of commitment and unity of purpose than might be needed in other estate plans. When there's a business to run and the family members intend to continue to run it, the estate plan must recognize and support various roles of the family in that business as well as the role the business plays in the family. The rights and responsibilities associated with ownership and management heighten the potential for accomplishment while at the same time can raise conflicts. Mike and DeeAnn will examine how typical estate planning structures, such as family trusts, family limited partner-ships, grantor retained annuity trusts, sales to grantor trusts, and gifts to charitable split interest trusts, can work either for or against the family and its business.

Mike and DeeAnn are partners in Thompson Jones LLP, Monterey, California. Each of them has over 30 years of practice experience. Since 1997, their practice has focused exclusively on estate planning, administration, and controversy resolution consulting, including many engagements involving family businesses. Before they formed Thompson Jones LLP, DeeAnn's experience included thirteen years with two family wealth management offices. Mike worked in a major Minneapolis law firm within its estate planning practice group for three years and helped launch the Center for Family Enterprise at St. University of Thomas. They are both members of the Family Firm Institute, an international, multi-disciplinary organization of family business consultants.

Their experience together and individually as lecturers includes NYU Family Wealth Institute (founders and chairs), NYU Federal Tax Institute, NYU Summer Institute in Taxation (chairs), AICPA, California CPA Education Foundation, CEB, UCLA-CEB Estate Planning Institute, Hawai'i Tax Institute, Notre Dame Estate Planning Institute and others.

Join us this month and learn!

March 17, 2010

*Lafayette Park Hotel
3287 Mt. Diablo Blvd.
Lafayette*

*6:00 PM. Wine and Registration
6:30 PM Dinner and Speaker*

**Cost: \$40.00 dinner (preregister)
\$45.00 (at the door)**

*Reservations and cancellations
must be received by Monday,
March 15th at 1:30 p.m. to be
assured of a reservation. Please
send your check today!*

or

Pay with a credit card online

<http://www.123signup.com/calendar?Org=epcdv>

or call Bonni at:

925.686.4819