

Beth Kaufman Speaks to Investment News on Possible Estate Tax Repeal

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While it's clear that President Trump wants to scrap the estate tax, it's not clear what financial advisers should be telling their clients as details about the law's demise get sorted out.

In 2010, a beneficiary was allowed to apply \$1.3 million of "free basis" to appreciated assets to limit the tax hit, according to Beth Shapiro Kaufman, president of Caplin & Drysdale and a former member of the Treasury Department's Office of Tax Policy. A surviving spouse received an additional \$3 million in free basis.

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Eliminating the step-up in basis might be a bigger issue.

However, the last time the House of Representatives passed an estate-tax repeal bill, in April 2015, it kept the step-up in basis, and Speaker Paul Ryan's proposed measure appears to do so as well, according to Ms. Kaufman.

"If they're willing to give up the [tax] revenue, that would seem to be a very possible outcome here," she said.

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Ms. Kaufman advocates planning in advance for the possibility of a repeal of the estate tax. For example, she is advising that wills include alternative provisions for the different scenarios: one disposition if the estate tax is in effect when someone dies, and another if it isn't.

To read the full article, please visit *Investment News*' website.

Excerpt taken from the article "What Will The Estate Tax Look Like Under Trump? The New President Wants To Get Rid Of The Tax, But Details Are Sketchy, Leaving Estate-Tax Planning In Limbo." by Greg Iacurci for Investment News.

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