Published on *The National Law Review* (http://www.natlawreview.com)

In Estate Planning, Where There's a Will There's a Way

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posted on: Tuesday, August 26, 2014

An August 15, 2014 article, by Robert Wood, in Forbes.com, told how many large companies, such as **GM and Merck, pay zero taxes**. It told how Apple avoided $9 billion in US taxes in 2012, according to a US Senate Report issued in 2013.

In the estate world, billionaires such as George Steinbrenner, the Yankees owner who died in 2010, avoided an estimated $500 million in US estate tax. But that was because he died in 2010, the one year when there was no estate tax. In 2014, US citizens can protect $5 million from estate tax, and that amount is indexed for inflation, so the current figure is $5,340,000. Thus, $10,680,000 protects most American married couples from paying federal estate tax upon the second of their deaths. Married couples fortunate enough to have more than $10,680,000, will pay federal tax at 40%.

Even **wealthy families with assets exceeding $10,680,000** (or a single person exceeding $5,340,000) can take advantage of gifting strategies and charitable planning to avoid or reduce estate tax. These strategies include techniques known as "GRATS," "IDGT's," "CRT's" and "CLT's," which mean nothing except to the tax professionals who implement them, and the wealthy who benefit from them. Although Congress has threatened to curtail or eliminate many of these strategies, they currently remain legal options for US citizens upon their deaths to leave more to their families and less to the IRS.

Whether it is multi-national public companies with billions of income, or wealthy US families with millions of assets, when it comes to avoiding taxes, be it income or estate, where there's a will there's a way.

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