

# *Tax*

## **Buy-Sell Agreements – Fixing the Value for Estate Tax Purposes**

The IRS frequently disputes the value of a closely-held business for estate and gift taxes, and asserts that a tax deficiency and penalties are due. A well-drafted buy-sell agreement may determine or fix the value of an interest in a corporation, LLC, or partnership for federal estate tax purposes. This can be a tremendous benefit by avoiding a valuation dispute with the IRS. Whether the value set by an agreement will be determinative is governed by the rules provided by section 2703 of the Internal Revenue Code. This session will provide an excellent overview of Section 2703, the regulations thereunder, and the relevant case law. Finally, numerous drafting tips will be included.

## **Charitable Gift Giving – Giving Others a Helping Hand**

Many successful individuals are charitably inclined. This session will provide an overview of the various options available for gift giving and charity, including outright gifts, charitable lead and remainder trusts, donor advised funds, and private foundations. An explanation of the tax consequences of giving cash and property, and using each option, will be given. Finally, numerous tips will be provided, and the pitfalls will be noted.

## **Conservation Easements – Making Money While Doing Something Good**

Conservation easements are not just for the wealthy. This session will address what a conservation easement is, the tax benefit of granting a conservation easement, and how a taxpayer can make money while also obtaining a tax deduction. More taxpayers could and would take advantage of the rules, if they only knew about them. The speaker will also provide practical tips and note the pitfalls to avoid.

## **Creative Tax Planning – The Line between Creativity & Negligence**

Many clients urge their tax advisors to get “creative” so the client’s tax liability can be reduced. Being too creative may cross over into negligence or even tax fraud and cause penalties to be asserted against the taxpayer and sometimes the tax advisor. This session will describe a number of “creative tax plans” that have been upheld by the courts. The speaker will explain why and how these plans are beneficial. Numerous hurdles, both statutory and judicial, that a taxpayer must overcome to engage in creative tax planning will be highlighted.

## **Family Limited Partnerships – Keeping it in the Family & Away from the IRS!**

Family limited partnerships have been used for many years for both non-tax and tax benefits. The IRS often attacks FLPs because the valuation discounts used provide significant tax savings. A number of cases involving FLPs and family LLCs will be explored, as well as a summary of how they should be structured and operated to increase the odds of attaining all of the creator’s objectives.

## **FIRPTA – Funny Acronym, Important Topic**

FIRPTA stands for the Foreign Investment in Real Property Tax Act. It provides special tax rules for "foreigners" who invest in U.S. real estate. This session will provide an excellent summary of the applicable rules, when they apply, when the exceptions apply, and how to minimize or avoid the impact of FIRPTA.

## **LLCs & Joint Ventures – Teaming Up with Others to Accomplish a Common Goal**

In many cases, one company does not have all of the employees, expertise, property, and money that it needs to exploit a business opportunity. Consequently, it is often advisable to team up, or partner with one or more parties to increase the odds of success. The focus in this session will be on LLCs and joint ventures that are taxed as a partnership. A number of tax issues will be addressed, including special tax rules affecting contributions of property, tax allocations, distributions, and the liquidations of the partnership. Tips to help you avoid the pitfalls inherent in partnership taxation will be included.

## **Planning for Life Insurance – the Quiet Asset**

Many individuals own life insurance policies. The focus of this session will be on the planning opportunities when dealing with a life insurance policy. Addressed will be who should own it, and who should be the named beneficiaries. Also discussed will be whether ownership of the policy should be transferred, and if so, to whom? Income tax, and estate and gift tax consequences should be considered. Effective tax strategies will be summarized as well as the pitfalls to avoid.

## **Private Foundations – They're Not Just for the Rockefellers**

Many individuals want to give to charity but are concerned that their contributed money will be wasted or will not be spent as they wish. A private foundation provides them with more control. This session will explore both the advantages and disadvantages of creating a private foundation, and the rules that must be met.

## **Related Party Transactions – Too Much Love May Hurt You**

Congress and the IRS are concerned that related parties may engage in transactions just to reduce or avoid taxes. This session will explore a variety of rules that limit related parties from saving excessive taxes. Suggestions on how to minimize disputes with the IRS and meet the taxpayer's objectives will be offered.

## **Restructuring Debt – Avoid Putting Salt on the Wound**

Many businesses and property owners are restructuring or modifying the terms of their debt obligations. This can result in the owners recognizing discharge of indebtedness income and incurring an income tax liability. This session will address the tax implications, including when discharge of indebtedness must be recognized and when it can be excluded. The speaker will note the factors that should be explored, and the planning opportunities available.

## **Review of Recent Tax Cases – Learning from Others**

Many courts issue tax opinions that are enlightening and provide guidance as to how transactions should be structured to avoid problems. Numerous recent tax cases will be analyzed and the lessons to be learned from each case will be explored.

## **Spin-Offs & Split-Ups – Breaking up isn't hard to do & it may even help!**

Kraft Foods and ConocoPhillips announced that they would split their businesses. There are many non-tax reasons why one corporation may want to be split into two separate corporations, or spin-off part of its business to its shareholders. This session will explore the tax and non-tax rules that must be met to have a tax-free transaction. The advantages and disadvantages of these transactions, and when they can be used most effectively, will be noted.

## **Tax Accounting – Congress's Rules, Not FASB's**

This unusual session will summarize numerous general rules governing federal tax accounting. A number of exceptions and special rules will be highlighted.

## **Tax Fraud – Helping Clients Stay Out of Jail**

Many taxpayers go beyond aggressive tax planning and engage in tax fraud. Where exactly is the line? The speaker will address this issue, the difference between civil and criminal tax fraud, and the penalties that can be imposed. Finally, a summary will be given of what a taxpayer should do if the IRS asserts fraud penalties.

## **Tax-Free Reorganizations – The ABCs**

Corporations can acquire other corporations using a variety of tax-free reorganizations. Tax-free reorganizations are not just for publicly-traded corporations; they can also be used by closely-held corporations. This session will summarize both the statutory and judicial requirements of an "A", "B" and "C" reorganization. The advantages and disadvantages of each type of reorganization will also be included. Finally, it will highlight the potential pitfalls to be avoided.

## **Tax-Free Reorganizations – The Other Letters**

Many tax advisors may be familiar with "A", "B", and "C" reorganizations. However, many are less familiar with "D", "E", "F", and "G" reorganizations. This session will focus on these other types of reorganizations, and when they can be used effectively.

## **Tax Penalties – Salt on the Wound, or is there a Defense?**

To encourage taxpayers to properly report their income, deductions, and tax credits, the Internal Revenue Code provides for both civil and criminal penalties. Over the years, the number of penalties, and the severity of them, has increased. This session will highlight the more common and most onerous penalties. Defenses that can be asserted to a proposed penalty will also be addressed. Finally, tips will be provided to minimize the odds of a penalty being asserted and to position a taxpayer to rebut it.

## **Tax Planning for Sophisticated Investments – Maximizing Your After-Tax Return**

Most investors focus on their after-tax rate of return, because they know taxes take a portion of their hard-earned gains. Most tax professionals know the rules governing commonly-used or typical investments such as the rules for reporting interest income, dividends, and capital gains. However, not all investments are structured so simply. A variety of tax issues pertaining to the taxation of more unusual or sophisticated investments will be addressed. The tax rules governing straddles, hedging transactions, short sales, options, and futures will be summarized. Section 1256 will also be addressed.

## **Taxation of Litigation & Settlements – Making the Best of a Bad Situation**

In this session the tax consequences of both dispute settlements and lawsuits will be addressed. The issues will be considered from two perspectives: the payer and the recipient. How attorney fees and litigation expenses are taxed will be summarized. Several tax planning opportunities will also be noted.

## **The Federal Estate Tax – The Unusual Rules**

Many tax professionals are knowledgeable about the general rules governing the federal estate tax. However, there are many exceptions to the general rules and there are many other lesser-known rules that are potential traps or pitfalls for the unwary. This session will highlight several of the “unusual rules” and explain the benefits and pitfalls they provide.

## **The Innocent Spouse – Protecting the One Who’s Kept in the Dark**

Section 6015 of the Internal Revenue Code provides relief for a spouse who would otherwise be liable for the tax liability of a tax return that was filed jointly. There are three potential routes to relief, but each has different conditions. When, and how, relief for an innocent spouse can be obtained will be examined. A number of cases will be reviewed to demonstrate how a court will analyze a claim for the innocent spouse status. Such review will note the factors that the IRS and courts will consider, before either granting or denying relief. Tips for effectively presenting a claim for relief will be given.

## **Transferring a Business – Making the Kids the New Boss**

Many business owners want to transfer their business on to their children. This session will address the advantages and disadvantages of doing so. Various techniques that could be used, and the pros and cons of each, will be given.

## **Unrelated Business Taxable Income – Why Tax-Exempt Entities Pay Taxes**

To avoid giving tax-exempt entities an advantage over taxable entities, Congress added a tax on a tax-exempt entity's "unrelated business taxable income" or UBTI. Many tax-exempt entities create for-profit entities or engage in joint ventures intending to realize profits that may be used to further its tax-exempt purposes. This session will explore the rules governing the tax on tax-exempt entity's UBTI. Planning opportunities will also be explored to minimize or avoid such tax.

## **Using Trusts – Paying it forward**

Trusts can provide many benefits. Making a lump-sum distribution to a beneficiary can be squandered or lost in a variety of ways. Instead, the use of a trust allows funds to be doled out to a beneficiary in installments over time, especially when they need it. This session will provide an excellent overview of a number of different types of trusts – revocable vs. irrevocable, simple vs. complex, and inter vivo vs. testamentary. The income, estate, and gift tax implications will be summarized. Numerous practical considerations will be noted, including the advantages and disadvantages of using a trust. Finally, several drafting tips will be provided.