

“If you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people.”

Chinese Proverb

BURNS AND BURNS, P.C. IS AN AV RATED LAW FIRM THAT REPRESENTS MULTI-GENERATIONAL FAMILIES AND BUSINESS OWNERS WITH THEIR ASSET PROTECTION, REAL ESTATE, AND ESTATE PLANNING NEEDS.

## 2011–2012 Wealth Preservation Update

After much debate and anticipation, President Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (the “Act”). Although the Act is set to expire on December 31, 2012, it contains many important and favorable estate tax provisions. As a result, individuals looking to take advantage of these new favorable tax laws should not wait to implement them as the window to do so is scheduled to close in 2012.

### **The pertinent estate planning sections that were changed by the act include:**

- The estate tax exemption has increased from \$3.5 million per person to \$5 million per person (\$10 million for a married couple). The exemption is scheduled to return to \$1 million in 2013.
- The top tax rate for taxable estates is 35%. The top tax rate will be 55% in 2013.
- The lifetime gift exclusion went from \$1 million to \$5 million. This rate is scheduled to return to \$1 million in 2013.
- The step up in basis.....SFB COMPLETE.....

### **Equally important to the Act’s many changes were the estate planning strategies the Act did not interfere with, namely:**

- Grantor Retained Annuity Trusts; and
- Marketability Discounts.

### **Maximizing the Act**

Due to the many favorable changes in the Act and the fact that the Act is set to expire on December 31, 2012, individuals looking to reduce their gift and estate tax liability should consider establishing a family limited partnership, dynasty trust, or GRAT, just to name a few.

For more information, contact BURNS AND BURNS, P.C. before this Act expires, because you cannot go back to take advantage of the Act’s provisions after its expiration.

### **About the Author**

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Scott F. Burns, Esq. is an Arizona attorney whose clientele includes professional athletes, business owners, and families desirous of protecting their personal and professional legacies through the use of asset protection strategies, estate planning and business consulting.

For Additional Information  
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