

## Team Tisser Foundation



Team Tisser Foundation (TTF) is a non-profit corporation founded by Doron M. Tisser and his wife Laurie. TTF raises money for various charitable purposes and does not focus on any one charity or charitable purpose. The goal is to raise as much money as possible to "Help Make A Difference" by "Improving Life for Others." TTF has made donations to Memorial Sloan-Kettering Cancer Center, Leukemia & Lymphoma Society, Challenged Athletes Foundation, as well as charities helping people affected by natural disasters such as Hurricane Katrina and the Tsunamis. Since 2000, TTF has donated almost \$175,000 to over 25 different charities. Friends and clients generally donate money to TTF to support Doron's participation in triathlons and marathons. If you would like more information about TTF, please contact Doron at [doron@tisserlaw.com](mailto:doron@tisserlaw.com), or visit [www.teamtisser.org](http://www.teamtisser.org)

### Quick Links

[www.tisserlaw.com](http://www.tisserlaw.com)  
[www.teamtisser.org](http://www.teamtisser.org)

### About

#### Doron M. Tisser

Doron M. Tisser has specialized in estate and gift planning, tax planning, trust and probate administration, charitable giving, buy-sell agreements and related areas for over 27 years. Mr. Tisser is one of less than 100 attorneys in California who has been designated as both a Certified Specialist in Probate, Estate Planning and Trust Law, and as a Certified Specialist in Taxation Law by the State Bar of California Board of Legal Specialization. He was chosen by his peers as a Super Lawyer for 2009, 2010, and 2011 for Southern California, and enjoys an "a.v." rating by Martindale-Hubbell Law Directory, which is the highest possible rating and is based on ethical considerations and legal skills. Mr. Tisser has published over 65 articles and chapters in books on various estate and tax planning subjects and is a frequent speaker and lecturer at estate and tax planning seminars. Mr. Tisser competes in triathlons, including Ironman races, and raises money for charities through Team Tisser Foundation, a non-profit corporation he co-founded with his wife Laurie.



### What's Happening

On December 7, 2010, Doron M. Tisser spoke on the 2010 Estate Tax Laws to the San Fernando Valley Evening Discussion Group of CPAs.

The Tisser Law Group will be holding its 2nd annual conference on The State of Estate Planning on March 16, 2011 and March 22, 2011. If you would like to attend, please make a reservation by calling either Laura Stein or Karina Kogan in our office. You can reach Laura at [laura@tisserlaw.com](mailto:laura@tisserlaw.com) and Karina at [karina@tisserlaw.com](mailto:karina@tisserlaw.com), or call them at (818)226-9125.

If you would like Doron M. Tisser to speak to your group or organization about the new estate tax laws, or other estate planning subjects, please contact Laura Stein or Karina Kogan at [laura@tisserlaw.com](mailto:laura@tisserlaw.com) or [karina@tisserlaw.com](mailto:karina@tisserlaw.com), or call them at (818)226-9125

Please check out the Tisser Law Group's new website at [www.Tisserlaw.com](http://www.Tisserlaw.com). Please let us know what you think of the new website.

Team Tisser Foundation has launched its new website [www.TeamTisser.org](http://www.TeamTisser.org). If you have a chance, please take a look at it.

Doron M. Tisser was quoted in the January 17, 2011, San Fernando Valley Business Journal in an article titled "Skill Sets Different at Smaller Firms, Attorneys Find"

Doron M. Tisser has been named a Super Lawyer for 2011 in the field of Estate Planning. In addition, he is one of the top 100 attorneys to receive the highest point total in the nomination, research and blue ribbon review process. Only 5% of all attorneys are selected by their peers as Super Lawyers. This is the 3rd year in a row he has been named as a Super Lawyer.

### New 2010 Estate Tax Laws: What Will Be The Real Impact On Estate Planning?

THIS NEW LAW EXPIRES AT THE END OF 2012, WITH THE ESTATE TAX LAWS REVERTING TO WHAT THEY WOULD HAVE BEEN IN 2011 BEFORE ENACTMENT OF THE LAW, i.e., A \$1 MILLION EXEMPTION AT DEATH.

President Obama has signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act 2010 (the 2010 Act). Prior to its enactment, 2010 and subsequent years were marked by indecision over how to address certain estate planning issues. This was especially true for persons who died during 2010 and were subject to no estate taxes and modified step-up basis rules. The 2010 Act attempts to eliminate these issues by making most of its provisions retroactive to January 1, 2010. Below is a discussion of some of the more important provisions.

#### Estate Taxes

Under the law that was in effect on January 1, 2010 (the Old Act), there were no estate taxes with respect to the estates of people dying in 2010. Unlike previous years, however, beneficiaries would not automatically receive a step-up in basis on all inherited assets, resulting in capital gains when those inherited assets would be sold.

The 2010 Act, in effect, repeals the Old Act and reinstates estate taxes as of January 1, 2010. For persons dying in 2010, 2011 or 2012, the maximum amount he or she can leave estate tax free is \$5 Million. If a person dies owning assets worth more than \$5 Million, the maximum estate tax rate will be 35% on the excess.

Because the 2010 Act applies as of January 1, 2010, the new law requires that estate tax returns be prepared for persons dying in 2010 and estate taxes be paid, if applicable. In order to allow taxpayers to comply with this retroactive change, the 2010 Act provides for a deadline of nine months after its enactment in order to file the estate tax return and pay the estate taxes. In addition, a disclaimer of assets, which is typically required to be done within 9 months of the person's death, may now be made 9 months after the date of enactment of the 2010 Act.

For persons dying in 2010, an election to fall under the Old Act (and thus not be subject to estate taxes) may be made. A thorough review of the assets should be done to determine which law is more favorable to the estate.

#### Portability

The 2010 Act provides for portability between spouses. This means if a spouse dies after 2010 and before 2013, any portion of his or her unused exemption amount (generally, \$5 Million) will be transferred to the surviving spouse and the surviving spouse will then be able to leave up to \$10 Million estate tax free when he or she dies.

While some people believe this may eliminate the need for bypass (credit shelter) trusts, this is unlikely to be the case for a variety of reasons, including protecting the growth of assets from future estate taxes.

It is also important to note that in order for the surviving spouse to get the benefit of this portability, he or she must die before 2013. Therefore, as the current law reads, both spouses must die after 2010 and before 2013 to receive the benefit of portability.

#### Gift Taxes

For 2010, the maximum amount a person can leave without incurring gift taxes is \$1 Million. For 2011 and 2012, the maximum amount is \$5 Million. For all three years, the maximum gift tax rate will be 35%. Therefore, a married couple could gift up to \$10 Million to their children without incurring any gift taxes. Any gifts in excess of that amount will be subject to a gift tax rate of 35%.

This is a very useful feature of the new law and we expect many clients to take advantage of it.

#### Generation-Skipping Taxes

Generally, the IRS imposes a generation-skipping tax on transfers to grandchildren or great-grandchildren.

Under the 2010 Act, for 2010 there are no generation-skipping taxes to be incurred if a client leaves assets to grandchildren or great-grandchildren. This can change, however, if assets are put in trust for grandchildren, in which case there could be generation-skipping taxes when the grandchildren die and assets continue in trust for the great-grandchildren.

For 2011 and 2012, there is a \$5 Million generation-skipping tax exemption amount which allows a person to place up to \$5 Million in a generation-skipping trust for children, grandchildren and other descendants, and avoid having those assets in the trust ever be subject to estate or generation-skipping taxes.

For a married couple, this means that \$10 Million can be placed in generation-skipping tax trusts for grandchildren and great-grandchildren.

#### Summary

The enactment of the 2010 Act provides planning opportunities that have not previously existed for families, including the ability to leave amounts well in excess of \$10 million tax-free to grandchildren and great-grandchildren.

While the 2010 Act has provided tax planning opportunities, these opportunities, as of today, are only available through the end of 2012. Therefore, there will be many considerations to be taken into account in deciding whether to take advantage of these new laws, including trying to sort through many open issues that the 2010 Act does not address.

In light of the new laws and the manner in which they apply, it will become important for everybody to review their trusts and other estate planning documents during 2011.