TISSER LAW GROUP
Plan Early, Plan Well™

The Estate Planning Edge

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February 2012

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, or visit www.teamtisser.org

Quick Links

www.tisserlaw.com
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 30 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 He was chosen by his peers as a Super Lawyer for 2009, 2010, 2011, and 2012 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

Our 3rd Annual State of Estate Planning Conference was held on Wednesday evening, February 8, 2012 and was a tremendous success.

Doron M. Tisser is proud to announce that his article on "The Use of Disclaimers in Post-Death Estate Planning" has been published in The Practical Lawyer, a magazine published by the American Law Institute-American Bar Association.

Doron M. Tisser has been named a Super Lawyer for 2012 in the field of Estate Planning by his peers. 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 4th year in a row he has been awarded this honor.

Doron M. Tisser completed the Rose Bowl Half Marathon on Sunday, January 22. It was a very tough race, with 70% of it being run on trails around the Rose Bowl. You can read Doron's summary of the race on the Team Tisser Foundation (TTF) web-site. If you would like to support Doron's fight against cancer and other diseases, as well as supporting other charities, please make a donation to TTF, a non-profit corporation co-founded by Doron and his wife, Laurie. You can make a credit card donation by going to www.teamtisser.org. You can also send TTF a check at our office address.

The next meeting of the San Fernando Valley Networking Group for graduates of Southwestern Law School will be held March 8, 2012. If you or someone you know is a graduate of Southwestern Law School, works or lives in the San Fernando Valley and wants to attend the meeting, contact Laura Stein at laura@tisserlaw.com or call Laura at (818)226-9125. We have also established a list-serve for members to stay in touch with each other.

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

IRS TARGETS REAL ESTATE TRANSFER

The IRS is targeting transfers of real estate in California between family members where no gift tax return has been filed. The purpose is to catch those persons who are making gifts, not filing gift tax returns and, in many cases, not paying gift taxes.

The gift tax is imposed on a transfer of assets between one person and another. If a parent transfers money, real estate, stock or some other asset to a child, a gift tax return may be required to be filed with the IRS.

A transfer of up to $13,000 in any one calendar year to a child does not require the filing of a gift tax return. A transfer of more than that amount to a child requires the item transferred to be appraised (unless it is cash or publicly-traded stock for which you can determine its value on a public exchange).

If the asset transferred is real estate, the parent is required to obtain an appraisal of the real estate by a qualified appraiser (not a real estate broker) and file a gift tax return with the IRS. The gift tax return will show the value of the gift in excess of the permitted $13,000 annual gift. The excess will then reduce the amount the parent can give away gift tax free during his or her life (gift tax exemption). Once the parent gifts more than the gift tax exemption, a gift tax must be paid.

As the parent uses up his or her gift tax exemption, this also reduces the parent's estate tax exemption, thereby leaving the parent less to leave estate tax free at death.

Many parents have been transferring interests in real estate in California without filing gift tax returns. At the same time, if the parent does not want the property taxes to increase, the parent must file a form with the county in which the property is located to avoid a property tax reassessment. The counties then send this information to the California State Board of Equalization (SBE).

The IRS filed an action in court against SBE to obtain information about property transfers between family members. The IRS prevailed.

The IRS has similar programs in 12 other states. The IRS estimates that between 60% and 90% of such transfers result in no gift tax return being filed, but in which they should have been filed. In Ohio, gift tax returns were filed 0% of the time, while in Florida and Virginia, returns were only filed 10% of the time.

As of October 2011, the IRS had examined 658 cases of transfers of real estate in California between family members and concluded that 238 of those transfers should have resulted in filing gift tax returns. 20 of those cases resulted in gift taxes being imposed by the IRS (presumably with interest and penalties), with the remaining 218 transfers resulting in the taxpayers using up some of the exemption amounts and having less to gift tax free while alive or estate tax free at death.

The gift tax is a tax on a transfer during life, while the estate tax is a tax on a transfer at death. Because the gift tax is as much as the estate tax, the IRS believes they will be able to collect a lot of money from taxpayers who are trying to beat the tax system by not filing the required gift tax returns.

If a person has made a transfer of real estate to a family member and has not filed a gift tax return for the transfer, he or she should immediately contact his or her tax advisor and file the necessary return.

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