

STILL A NEED TO DO ESTATE TAX PLANNING

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I was given a plan to review for a potential client who is a physician with significant wealth. The plan was drafted about two months ago and the initial concern from the financial advisor was that funding was not discussed with the client. So I began reviewing the plan and noticed that the attorney who drafted it did no tax planning at all. The plan gave everything to the surviving spouse in a trust that qualified for the marital deduction.

Although the plan works great for this year, as of January 1, 2011, the estate tax returns. So unless both spouses passed away this year, the plan would cause more taxes to be owed upon the second of them to pass away than they would had they done some VERY simple tax planning.

Just because there is no estate tax for this year does not mean that there is no longer a need to do tax planning. In fact, the tax rules this year require even more tax planning to take place to make sure you effectively pass assets that will increase the basis in the assets to their maximum amount permitted under this years basis rules. This will all change of course in 2011.

Unfortunately there is no crystal ball that I can look into to give anyone a clear answer to where things will be a year from now. However, your plan should be reviewed, no matter how new, to ensure that the plan is still tax efficient. To have your plan reviewed, please [consult an estate planning attorney](#) to set up an appointment.

and require assistance with tax planning, please [contact Wood, Atter & Wolf](#) for tax planning legal counsel.