

(cont. from page 1) One is to establish an Irrevocable trust for a family member. A major consideration here: you must part with control of the assets, and you can't ordinarily be a trustee or a beneficiary.

That opens the door to consideration of a spousal lifetime access trust ("SLAT"). You can "lock in" the current favorable gift tax and estate tax exemptions while still allowing mom or dad to stay in control of – and to benefit from – the transferred assets.

RETROACTIVE TAX CHANGES?

Will the tax changes will be retroactive? As we get farther into the year it becomes less likely that the law will be retroactive to January 1. Some commentators are saying that nothing will be effective before Janu-

ary 1 of 2022. However, if you're going to do planning, you should prepare for retroactive tax changes.

Consider including a disclaimer pursuant to Section 2518 of the Code in your transfer document or trust. Then, if the law changes, the beneficiary can say that they don't want the interest, and the document can then direct the asset back to you.

If you think your situation may call for this kind of planning, start the conversation now. It will take a while to understand the situation and decide to act. Involve all your advisors. Then ask yourself: does the planning make sense regardless of the law changes?

Don't be caught flat-footed. Explore the options – there are many.

Our office is volunteering time to help Special Olympics count tickets for the 27th Annual MTN Chevy Raffle. You can go online, or talk to your local athletes or teams to buy tickets to win a 2021 Chevy Silverado.



Our team has logged over
25
volunteer hours.

SPANISH CHICKEN & CAULIFLOWER SKILLET

Courtesy of *The Whole 30 Fast and Easy* by Melissa Hartwig, 2017

Ingredients

- 4 slices of bacon, chopped
- 1 lb. chicken breast/thigh, diced
- 1 medium onion
- 1 red bell pepper
- 4 cloves garlic, minced
- 28oz. Canned diced tomatoes
- 1/2 tsp. black pepper
- 1/4 tsp. cayenne pepper
- 1/4 tsp. salt
- 4 c. cauliflower florets
- 1/2 c. pimento Spanish olives

Instructions

1. Cook bacon over med-high heat in a large skillet until crisp, transfer to paper towels to drain. Leave bacon fat in the skillet.
2. Add chicken to skillet and cook until opaque.
3. Stir in the onion, bell pepper and garlic, cook until onions are softened.
4. Add tomatoes (undrained), black pepper, cayenne pepper and salt. Bring to a boil.
5. Add cauliflower, cover and simmer until cauliflower is tender.



FIRM NEWS



Lately, life at the Elliott household has been busy, busy, busy. But, we find small moments of joy while running errands. Tré and Rosey have a great time racing around the grocery store in this cool race car shopping cart.

Keith and Becky did their best to keep cabin fever away by watching a lot of Netflix, reading (highlights being Charles Dickens for Keith and murder mysteries set in the Canadian eastern provinces for Becky) and seeing Hannah when they could (outdoors and socially distancing, of course!).



We are excited to introduce Elizabeth (Becky) Shea, our newest team member. Becky was born and raised in Butte and her husband, Robb, is from Great Falls. Becky was a prosecutor in Boise before returning home to be the stay-at-home parent to Caitlin and Quinn. She has volunteered at the Cascade County Attorney's Office, taught craft classes at Michael's, served as the Development Director at Our Lady of Lourdes Catholic School and started a small business. Outside of work, she loves crafting, cooking, spoiling her rescue dog, Walter, and spending time with family. Currently Becky is an inactive attorney, but she is excited to meet and help clients with their estate and business needs as a legal assistant.

Jon and Rhonda became grandparents of their first granddog, a basset hound named June! June is a rescue dog that daughter Meagan and her husband Calob have welcomed into their home. "Grandpaw" Jon is so proud!



The Crossland's world revolves around 2 things – horses and family. Guss should be giving them a foal about May 10th and Chris is planning her vacation so she can be there with her. The Portland family saw some snow and Braxton, Maizie and baby Clive all got in on the action. They spent as much time outside as possible.



The Squires' have had a very busy month in March - Charlene's dad came to stay with them for a few days, Caleb took a trip to Charlotte, NC, to visit some friends, and they went to Biloxi, MS, for a car meet. Charlene will even be coming to Great Falls and working in office for the beginning part of April!

Danica and Brock are enjoying their last year in San Antonio, making sure to visit all the breweries! Brock re-enlisted this year and the Air Force is sending them to Scott AFB, just outside of St. Louis.





We are looking to hire a full-time estate settlement paralegal/legal assistant to support our attorneys in probate and trust administration matters.

We are also seeking a highly motivated Associate Attorney with excellent skills to become a part of our growing team. The ideal candidate will be available work full-time, but a part-time arrangement will be considered.

If you know anyone whom you believe may be a good fit, please put them in contact with us. We'd love to talk to them!

WE'RE HIRING

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Can you find all
the months of
the year?

THE LEGACY INSIDER

PROPOSED TAX CHANGES



Photo by Louis Velazquez on unsplash.com



Written by Keith Tokerud

We have been getting a lot of inquiries from clients and advisers concerning the Biden administration's proposed changes to the income tax and estate tax. I'm going to summarize some of the main points here. I apologize: I don't have room to go into the details of all the options. We put on a webinar on this topic in March. If you'd like to dig into the details, let us know and we'll show you how you can view the webinar recording or get a copy of our handout.

First, remember: all we have so far are proposals. That's a long way from binding legislation. Many proposals will be dropped or changed. Deals will be made, including among Democrats. Most of the tax increases will be limited to taxpayers with large estates or substantial income.

Some type of tax increases appear likely. In every Presidential administration since Jimmy Carter's there has been tax legislation enacted in the first year. Because of the filibuster, 60 senators must vote to pass most legislation. However, for budget reconciliation bills only 51 do. In 2001 and in 2017 Presidents Bush and Trump got tax bills enacted using this rule.

INCOME TAX PROPOSALS

The income tax proposals include increasing the top rate for ordinary income to 39.6% for those with more than \$400,000 income and increasing the top

rate for capital gains for those with incomes over \$1 million to ordinary income rates. The corporate tax rate would be increased to 28%.

To deal with the increased rate consider accelerating income while rates are still low and deferring deductions. (Yes, pay income taxes before you absolutely have to!) Spread out income to stay below new limits by, for instance, selling business interests using installment sales, establishing family limited partnerships to spread income among family members or perhaps creating a charitable remainder trust. One powerful strategy is to use after-tax distributions from IRAs to buy life insurance in an irrevocable life insurance trust. No income tax. No estate tax.

ESTATE TAX PROPOSALS

The estate tax proposals include eliminating the step-up in basis at death, reducing the estate tax exemption to \$3.5 million and increasing the rate to 45%. You've likely heard of these, but did you know that the Administration may also reissue withdrawn proposed valuation regulations? Near the end of the Obama administration, the Treasury Department issued proposed regulations that significantly curtail the ability to take valuation discounts on intrafamily transfers of business interests, such as the discounts for lack of marketability and minority interest. President Trump withdrew the regulations. they may be revived.

POTENTIAL SOLUTIONS

So, what are possible solutions to consider involving the estate tax? *(cont. on page 2)*