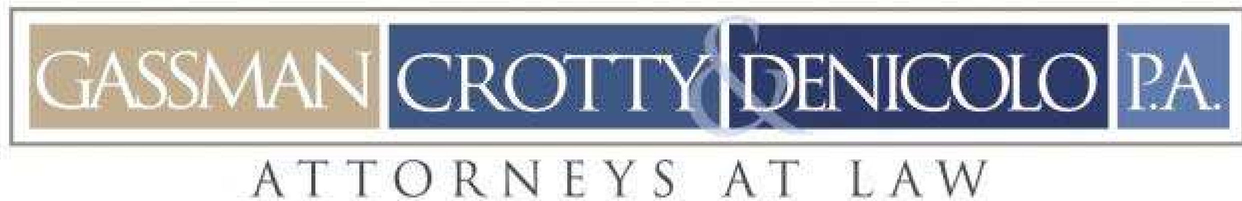

THE THURSDAY REPORT +/- 24 Hours

Issue #280 - Friday, December 27, 2019

Edited by: Ken Crotty

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Caroll Edwin Spinney was born on December 26, 1933 and brought joy to the hearts of all who encountered his dueling alter egos, *Big Bird* and *Oscar the Grouch.* Being an American puppetry innovator he caught the eye of Jim Henson (Creator of the Muppets), worked though fifty seasons of *Sesame Street* and co-authored *The Wisdom of Big Bird (and the Dark Genius of Oscar the Grouch): Lessons from a Life in Feathers.* Mr. Spinney passed away December 8, 2019 and we honor his life and lessons in this 280th rendition of the Thursday Report.

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Quote of the day

"Always start the day with a smile - that way you get it over with. -OSCAR THE GROUCH" -Caroll Spinney

The Five Most Important Things that You Need to Know About the SECURE Act

By: Christopher Denicolo and Brandon Ketron

Just in time for Christmas, the SECURE Act 1 was enacted to make sweeping changes to the tax law regarding distributions from 401(k)s, IRAs, Roth IRAs, defined contribution plans, and other types of pension plans or qualified retirement accounts (collectively referred to as "Retirement Plans" for the purposes of this article).

Because many Americans have significant portions of their wealth in Retirement Plans, the changes resulting from the SECURE Act impact more taxpayers than the significant changes to the federal estate tax laws that were brought about by the Tax Cuts and Jobs Act of 2017. It is therefore crucial that clients and their advisors understand how the SECURE Act will affect Retirement Plans, and, most importantly, whether any additional planning should be implemented to address the effects of the Act.

The SECURE Act was somewhat of a surprise addition to the spending bill that was approved by Congress and signed into law by the President on December 20. While it was threatening to become law over the Summer of 2019, it seemingly was lost in a political logjam that oftentimes can signal the death

of legislation. Nevertheless, whether you think that the SECURE Act is a shiny gold ring or a lump of coal, it is here to stay, and it is important to learn how to plan within the guidelines and rules espoused by it.

The authors have endeavored to distill down the 200 plus pages of statutory changes brought about by the SECURE Act into five important and far-reaching aspects of the new law (or pre-existing aspects which were not changed by the new law) which should be understood by clients and their advisors to assure that Retirement Plans are appropriately accounted for and handled as part of their estate plans.

1. The SECURE Act Becomes Effective on January 1, 2020 (Although it Can Impact Retirement Plans That Were Inherited On or Before December 31, 2019).

The SECURE Act applies to Retirement Plans effective January 1, 2020. More specifically, the significant changes to the required minimum distribution regime that applies after the death of a Retirement Plan Owner/Participant (the "Participant") on or after January 1, 2020, or on the Participant reaching his or her Required Beginning Date (more on this on Section 2 below) on or after January 1, 2020.

This means that pre-existing law will apply to Retirement Plans of Participants who have died, or have reached their Required Beginning Date, on or before December 31, 2019. However, the SECURE Act also applies to beneficiaries who inherit Retirement Plans if the original designated beneficiary dies after December 31, 2019. For example, if A died in 2014 and left his Retirement Plan to B (who was not A's spouse), then B would have been entitled to take distributions from the Retirement Plan based upon his life expectancy under the old regime. If B dies after December 31, 2019, and leaves the IRA to C, then the SECURE Act will apply to the Retirement Plan and require that it be distributed within ten years of December 31st of the calendar of the Participant's death, whereas under the old regime C would have stepped into the shoes of B and received distributions from the plan based on B's life expectancy.

Therefore, with respect to a Participant who has died in 2019, the beneficiaries may want to consider whether to disclaim such Retirement Plan assets or otherwise cause them to pass into trust vehicles which will in turn lock in the life expectancy rule under pre-existing law, and not cause the 10-Year Rule of the SECURE Act to apply upon the death of the beneficiary.

2. The Required Beginning Date Age is Increased from 70 ½ to 72.

A fundamental tenet of the Retirement Plan tax law has been that, beginning on April 1 of the calendar year following the year in which a Participant attains the age of 70½, the Participant would be required to take required minimum distributions annually for the balance of his or her life. This date is known as the Required Beginning Date. The SECURE Act has changed this by increasing the age from 70½ to 72 so that the Required Beginning Date for the Participant does not occur until April 1 of the calendar year following the year in which the Participant attains the age of 72.

The SECURE Act continues an aspect of the pre-existing law, which allows the Required Beginning Date of a Participant to be postponed to the later of: (I) April 1 of the calendar year following the year in which the Participant attains the applicable age (which is now 72, rather than 70 ½); or (II) April 1 of the calendar year following the year in which the Participant retires from employment, but only if the Participant is not a 5% owner of the stock of the employer or stock possessing more than 5% of the total combined voting power of all stock of the employer who sponsors the plan.

Furthermore, the SECURE Act allows certain taxpayers to make contributions to traditional IRAs beyond the age of 70 ½. The previous law prohibited contributions to traditional IRAs upon an individual reaching the year in which they attain the age of 70 ½. Therefore, individuals who have earned income from wages or self-employment can make contributions to traditional IRAs in 2020 and beyond, regardless of their age (so long as they have earned income).

3. The Default 5 Year Rule and "Designated Beneficiary" Concept Are Still in Effect, Although the "Life Expectancy Rule" Has Been Replaced By the New "10-Year Rule" (With a Few Notable Exceptions) .

The previous law provided that all assets held under a Retirement Plan must be distributed out of the plan within 5 years of December 31 of the calendar year of the Participant's death unless one of the following applied:

(a) The Participant died after his or her Required Beginning Date, in which case the post-death required minimum distribution payments can be made over the life expectancy of the deceased Participant as if he or she were still alive; or

(b) The assets in the Retirement Plan will be distributed annually over the life expectancy of the designated beneficiary named by the deceased Participant.

The ability to "stretch" required minimum distributions from Retirement Plans over a beneficiary's or the Participant's life expectancy is known as the "Life Expectancy Rule." This Rule was the foundation for the "Stretch IRA" planning technique which would have allowed for the deferral of distributions from an inherited Retirement Plan (and corresponding income tax burden associated with such distributions) over many years.

The sole change to the above brought about by the SECURE Act is that the Life Expectancy Rule has been replaced by a 10 year payout, except in the case of specific types of "Eligible Designated Beneficiaries" (more on this later). Therefore, the Stretch IRA for many clients no longer applies, and instead all assets must be paid out from the Retirement Plan within the tenth (10th) anniversary of December 31 of the calendar year in which the Participant dies. Interestingly, the ten (10) year payout rule allows for all Retirement Plan distributions to be deferred until the tenth (10th) year, which may allow for significant accumulation in assets and could cause many taxpayers to come out ahead based upon ten years of tax free accumulation and the time value of money.

While the Stretch IRA has been effectively decimated by the SECURE Act, the concept of a "designated beneficiary" is alive and well. A "designated beneficiary" is an individual or individuals named as beneficiary of the Retirement Plan, and where a certain type of trust satisfies the IRS' rules to qualify as a see-through trust, the oldest trust beneficiary is considered to be the designated beneficiary. Under pre-existing law, the designated beneficiary's life expectancy governed the distribution period of the required minimum distributions, and such distribution period would apply regardless of whether the designated beneficiary has died.

Therefore, trusts which will receive Retirement Plan benefits will still need to qualify as "see-through trusts" and must have special provisions which will allow the trust to qualify as a see-through trust in order to be able to take advantage of the ten (10) year payout rule. If such a trust does not have the special provisions, then the default 5 year Rule will apply. Accordingly, an accumulation trust must be designed to not benefit any charities or non-individual beneficiaries, and to meet the other requirements necessary to qualify a trust as a see-through trust.

4. Certain Beneficiaries are Excepted from the 10-Year Rule, and Are Entitled to Use the Life Expectancy Rule (Albeit Temporarily In Some Cases)

Certain beneficiaries known as "Eligible Designated Beneficiaries" are excepted from the 10-Year Rule limitation, and therefore entitled to use the Life Expectancy Rule with respect to required minimum distributions. In the case of such Eligible Designated Beneficiaries, the Life Expectancy Rule can allow required minimum distributions to be made over the Designated Beneficiary's life expectancy, rather than before the December 31st of the tenth year following the Participant's death. The Eligible Designated Beneficiaries are as follows:

(a) The Participant's Surviving Spouse. The surviving spouse can use the Life Expectancy Rule, but only if the Retirement Plan is made payable to the spouse as a beneficiary directly, or to a conduit trust for the surviving spouse's benefit. Note that an accumulation trust which benefits a surviving spouse is not considered to be benefits left directly to the surviving spouse, and therefore does not allow for the Life Expectancy Rule to apply.

A Conduit Trust is a trust that requires all distributions received from a Retirement Plan to be immediately transferred to the Designated Beneficiary, as opposed to allowing the trustee to accumulate distributions to protect the beneficiary. A trust that can accumulate distributions is called an "Accumulation Trust."

Nevertheless, after the death of the surviving spouse, the exception terminates, and the 10-Year Rule applies with respect to the beneficiaries who inherit the IRA after the spouse's death.

(b) A Minor Child of the Participant. If a child under the age of majority (based upon the law defining majority of the state of the child's residence, which is usually 18 or 21, but sometimes can be determined with respect to a child's education status) can qualify for the Life Expectancy Rule. Again, a conduit trust for the benefit of the minor child is entitled to use the Life Expectancy Rule as if the Retirement Plan were left directly to the minor child, but an accumulation trust which benefits such child will not qualify for the Life Expectancy Rule.

However, once the child reaches majority, or if the child dies before reaching majority, the Retirement Plan distributions must be distributed in accordance with the 10-Year Rule. Likewise, Retirement Plan benefits left to an accumulation trust do not qualify for the minor child exception.

Interestingly, the minor child exception applies only to the children of the Participant and does not apply to grandchildren or any other minors who might inherit the Participant's Retirement Plan. Therefore, an IRA payable to a grandchild or to a trust for a grandchild is required to be distributed to the grandchild or trust for the grandchild by December 31st of the tenth year following the year of the Participant's death.

(c) Disabled Beneficiaries.

If a beneficiary is disabled as determined pursuant to Internal Revenue Code §72(n)(7), then the Life Expectancy Rule method can be used [2]. Nevertheless, upon the disabled beneficiary's death, the 10-Year Rule applies so that Retirement Plan benefits must be distributed out of the plan within 10 years following December 31 of the calendar year in

which the disabled beneficiary dies. Therefore, a special trust should be established for each disabled beneficiary so that the disabled beneficiary is the sole lifetime beneficiary of such trust so that the Life Expectancy Rule will apply regardless of whether such trust is a conduit or accumulation trust.

(d) Chronically Ill Individuals.

Likewise, if a beneficiary is "chronically ill" as determined under Internal Revenue Code §7702B(c)(2), then the Life Expectancy Rule can apply in the same manner as provided above, but the 10-Year Rule will apply upon the death of such chronically ill individual 3.

(e) A Beneficiary Less than 10 Years Younger than the Participant.

The Life Expectancy Rule also applies where a Retirement Plan is left to an individual who is no more than 10 years younger than the Participant. However, the 10-Year Rule will apply upon the death of such beneficiary.

Therefore, it is advantageous for a Participant to leave Retirement Plan assets to a beneficiary who is less than 10 years younger than him or her until the point where the beneficiary's life expectancy is less than 10 years.

5. Accumulation Trusts and Conduit Trusts Can Still be Used, Although They May Have Less Utility.

An accumulation trust can be used to receive Retirement Plan benefits after the death of the Participant. However, leaving Retirement Plans to such a trust will subject the plan to the ten (10) year rule in lieu of the Life Expectancy Rule. As a result, accumulation trusts will cause the Retirement Plan assets to be subject to an accelerated tax hit because all assets must be distributed from the Retirement Plan within ten (10) years. Thus, consideration should be given to whether it would be more appropriate to leave Retirement Plan benefits directly to an Eligible Designated Beneficiary or to a conduit trust for the benefit of such Eligible Designated Beneficiary. Nevertheless, in some cases, it is appropriate to not "let the tax tail wag the dog," and to utilize an accumulation trust if it makes sense for the client's situation, despite the loss of tax benefits relative to what would have applied under p re-existing law.

A conduit trust is still viable in situations where an Eligible Designated Beneficiary is the conduit beneficiary. This would allow the Life Expectancy Rule to be used as long as the beneficiary retains "Life Expectancy Rule" status, such as a surviving spouse where assets were left to a marital trust for the spouse's benefit, or a trust for a disabled or chronically ill beneficiary. However, using a conduit trust for a minor child or other beneficiary who likely will not qualify as an Eligible Designated Beneficiary at some point in the future could cause catastrophic unintended results because all plan assets would have to be distributed from the trust within 10 years after funding of the trust, or cessation of the beneficiary's qualification as an Eligible Designated Beneficiary. This can lead to results that are significantly different from what was contemplated by the Participant.

Accordingly, planners may want to consider whether to convert conduit trusts to accumulation trusts in order to avoid this trap. Planners undoubtedly will be looking into all of the nuances and quirks of the new law, in conjunction with the conduit trust provisions, in order to determine whether conduit trusts could convert to accumulation trusts upon the occurrence of some event or under certain circumstances in the future.

The Stretch IRA may be all but dead, but the SECURE Act provides certain planning opportunities that need to be understood in order to assure that clients' plans are adapted to be compatible with the new law. The authors (and Alan Gassman) will be conducting a Leimberg Information Systems Webinar on Thursday, January 9, 2020 at 1 PM to 2:30 PM ET, entitled *Practical Estate and Trust Planning After the Secure Act*, which will cover the SECURE Act and its effects in more detail. Please join us by registering at the following link: http://leimbergservices.com/wdev/register.cfm?id=419&s=v

Citations:

1 SECURE is an acronym for Setting Every Community Up for Retirement Enhancement, as most tax-related legislation is titled with a catchy acronym in mind.
2 Internal Revenue Code Section 72(n)(7) provides that "an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Secretary may require."
3 Internal Revenue Code Section 7702B(c)(2) provides that "the term "chronically ill individual" means any individual who has been certified by a licensed health care practitioner as:

(i) being unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (which include eating, toileting, transferring, bathing, dressing, and continence) for a period of at least 90 days due to a loss of functional capacity,

(ii) having a level of disability similar (as determined under regulations prescribed by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability described in clause (i), or

(iii) requiring substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the preceding 12-month period a licensed health care practitioner has certified that such individual meets such requirements.

10 REASONS NOT TO INVEST IN A QUALIFIED OPPORTUNITY ZONE

NEWLY ISSUED FINAL REGULATIONS ON QUALIFIED OPPORTUNITY ZONE INVESTMENTS ARE MOSTLY TAX FRIENDLY AND CLEAR UP MANY QUESTIONS

By: Alan Gassman and John Beck

While thousands of taxpayers are or will be investing in Qualified Opportunity Zones ("QOZ") in order to delay and reduce capital gains taxes, many of them will not be well served by the investments for a number of foreseeable reasons that can now be considered.

This article gives a number of good reasons that a good number of QOF investments will not pan out for well meaning, but perhaps under-informed, taxpayers.

1. <u>Values May Be Artificially Inflated.</u>

Many economists and real estate experts are concerned that a "value bubble" has occurred in many real estate markets. While this will hopefully turn out to be relatively minor, communities such as Peoria, Illinois and Binghampton, NY are already experiencing losses in real estate values, and this may continue.

A. Everyone Is Rushing to Do This.

Separate and apart from a general real estate bubble, the cost of owning or renting real estate in a QOZ will cause prices there to rise faster than in other communities.

B. 2026 Sell off May Apply.

Once investors have to pay their capital gains taxes in 2027, they may need or want to sell their QOF interests, and this could cause a price downturn. Hopefully, a good many of the investors will stay with their investments in order to also receive tax appreciation on their QOF interests to the extent that the value of the QOF interest exceeds the cost basis that was attributable to the original capital gains deferral investment amount.

2. <u>Tax Rates May Be Much Higher in 2026.</u>

While deferral of taxes is usually preferred to paying them earlier than otherwise required, this does not always provide better results for the taxpayer, especially if the deferral is relatively short and the taxes to be paid later are based upon a higher percentage. For example, many taxpayers are deferring capital gains taxes that would be paid at the 15% bracket, and by 2026 the capital gains tax rate could go back to the 28% rate that applied during the Ronald Reagan administration. Reducing the capital gains

amount by 15% for investments made before 2020, and by 10% for investments made after December 31, 2019, will not overcome a large increase in capital gains rates.

For example, a $100,000 capital gain today may cause $15,000 in capital gains taxes, but result in $24,200 in taxes if deferred to April 15, 2027, if the capital gains rate goes to 28% and a 10% decrease in the amount of capital gain applies (90% of $100,000 is $90,000, and 28% of $90,000 is $24,200). This is much higher than the $15,000 that the taxpayer would have paid if the taxpayer did not defer.

3. **Loss of Stepped Up Basis on Death/Inability to Gift Without Triggering the Tax.**

When investment assets are owned on death, they receive a new fair market value date of death income tax basis, which allows the heirs to sell the asset at up to its date of death value without triggering capital gains taxes, and will allow for new depreciation write-offs if the property inherited is depreciable. The death of the holder of a QOF before 2027 will not provide these benefits, and the heirs will have to pay the capital gains tax in 2027, even if the asset value of the QOF has gone to zero or close to zero.

4. **Loss of Depreciation Write-Offs.**

It can be very beneficial for an investor to have depreciation and other deductions against ordinary income as opposed to eventually paying less capital gains taxes and having no deductions.

For example, if a taxpayer in the 37% bracket could either avoid capital gains taxes of $20,000 by investing $100,000, or could pay the $20,000 in capital gains taxes and save $37,000 in income taxes by investing the $100,000 in a depreciable asset, then the QOF investment may not be the best choice.

5. **Have to Run the New Investments as a Trade or Business.**

Many investors will be best served by having well allocated investment portfolios rather than having their investments in an entity that must function as an active trade or business. Running an active trade or business generally involves more risk and is time consuming.

6. **Must Follow QOF Rules, Which Can Be Complicated.**

While setting up and initially funding a QOF is relatively easy, the complicated rules that apply to assure that the many requirements under the law are met initially and then complied with going forward will cause expense, possible loss of the tax advantages and also loss of ability to focus on other opportunities or issues that are overshadowed by the need to pay attention to and comply with the QOF rules.

7. **Surprise Triggering Events You May Not Have Thought Of.**

The capital gains deferred and the 10-year future appreciation advantages of a QOF will be lost by many unsuspecting taxpayers who make changes in ownership that will trigger all of the deferred gain and disqualify future growth from qualifying.

These include the following:

- Transfers between spouses, even in a divorce scenario.
- Gifts that are made, unless the transfer is to what is known as a “defective grantor trust” if the original owner is the transferor.
- Conversion of a QSST to an ESBT that benefits someone who is not a beneficiary of the QSST.

- Conversion by an investor in a QOF from an S corporation to a partnership or disregarded entity.
- And more.

8. Forecloses Charitable Planning Alternatives.

Many taxpayers elect to donate appreciated business and investment assets to charity to receive a charitable deduction for income tax purposes and to support worthy causes, which can include a family controlled operating foundation. These taxpayers can save more tax dollars at ordinary tax rates by donating to charitable remainder trusts, charitable lead trusts, and similar vehicles that are not available or compatible with QOF arrangements.

9. High Cost of Doing this with Others.

While many taxpayers will find and implement businesses and other investments on their own, others will join groups of investors that may be formed and marketed by brokerage and other firms, with relatively high costs as compared to what an investor in a REIT mutual fund or other competitive fund or arrangement may provide. Also, REIT and public partnership arrangements have the benefit of experience, track records that can be reviewed, and full disclosure of what is owned and what is leased etc. The vast majority of QOF's being set up have not yet even decided on what to acquire or do with the fund assets, making for less predictability and more room for errors.

10. Lack of Diversification.

Investments that can be made to REIT's and other investment funds that own and operate real estate and other businesses will be more diversified and in many cases much less expensive then a custom made or mass established QOF arrangement.

There are doubtlessly other disadvantages and dangers to investing in QOZ's. While these investments will probably yield excellent results and also provide significant savings for many, others will be harmed by making investments that would never have happened, but for a tax avoidance motive being the tail that wags the dog for many.

Conclusion

The tax law giveth and the tax law taketh away. While enthusiatically helping our clients in all ways possible, we should not lose sight of the general rule that saving taxes without common sense decision making is bad strategy.

The authors will be conducting a Leimberg Information Systems Webinar on Friday, January 3, 2020 at 1 PM to 2:30 PM ET, entitled *FINAL Regs Issued 12/19 Economic Opportunity Zones: Certainty and Further Questions Resulting from Final Regulations*. Please join us by registering at the following link: http://leimbergservices.com/wdev/register.cfm?id=417&s=v

Learning at Lunch Series

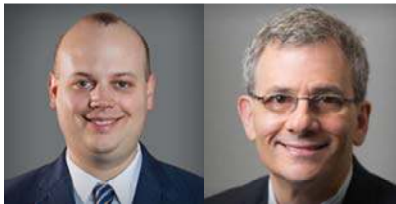
30 Minutes To Understand The SECURE Act

Presented by:
Alan Gassman
Christopher Denicolo
Brandon Ketron

Thursday, January 2, 2020
12:30 P.M. - 1:00 P.M. EST (30 minutes)

FINAL REGULATIONS ISSUED FOR QUALIFIED OPPORTUNITY ZONE INVESTMENTS - *Part 1*

By: John Beck (Mostly John Beck) and Alan Gassman



Internal Revenue Code Section 1400Z was passed as part of the Tax Reform Act of 2017, and allows individuals and other entities to defer and to a small extent eliminate capital gains taxes, and to also be able to sell certain investments income tax free once held for more than 10 years in a Qualified Opportunity Fund.

These rules enable individuals, families, and groups of taxpayers to invest an amount of up to whatever capital gains they might otherwise pay tax on from sales to unrelated parties to facilitate the building or development of active trade or business in a Qualified Opportunity Zone. If this investment occurs by the end of 2019 and the investment is held through 2026 then 15% of the capital gains will disappear,

and 85% will be taxable on January 1, 2027. For investments made in 2020, the reduction in capital gains tax that will be applicable on January 1, 2027 will be 10% instead of 15%. Only the investment amount attributable to capital gains in the year of the investment will qualify to be sold tax free if held for more than 10 years.

The "Qualified Opportunity Fund" that the taxpayer can invest in can simply be a limited liability company or regular corporation that qualifies to be taxed as a partnership or an S-corporation.

As an example of the above, an individual who sold stock for $300,000 that cost $200,000 has a $100,000 capital gain, can make a $100,000 investment by funding an LLC that will be taxed as an S-corporation or a partnership within 180 days of when the capital gain event occurred, to qualify for the capital gains tax reduction and deferral. That LLC must make a qualifying investment, which can take 180 -or more- days, giving the taxpayer at least 360 days from the capital gains sale to facilitate the reinvestment if the timing is planned properly.

Assuming that this happens in 2019, and that the LLC invests in a Qualified Opportunity Zone in the manner permitted, the taxpayer will recognize $90,000 of capital gains on January 1, 2027, and if the $100,000 investment is successful and sells for $600,000 more than 10 years after the investment is made, then the capital gains in the gain on the sale, including any depreciation recapture, will be tax free.

One drawback to investing in a Qualified Opportunity Fund is that the exclusion of tax on appreciation in the Qualified Opportunity Fund investment will not apply unless the interest in the Qualified Opportunity Fund is sold before January 1, 2048. While this provides almost 30 years for the owner of an interest in a Qualified Opportunity Fund to operate and run a business, it may not be worthwhile for the taxpayer to sell its interest in the Qualified Opportunity Fund before 2048. It is also likely that a number of investors will scramble to sell their investments in the year 2047, resulting in decreasing property values. If the property is held into the year 2048, then the taxpayer will have only received the benefit of avoiding capital gains taxes on 10% or 15% of the capital gains amount that otherwise would have been due and will have had to deal with adhering to the Economic Opportunity Zone restrictions over the life of the investment.

A good many issues arose in the drafting of proposed regulations and during the commentary period thereafter.

On December 19, 2019, the Service issued 354 pages of explanatory discussion known as the "Preamble" to the new Final Regulations and 190 pages of regulations, which clear up many issues and are taxpayer friendly for the most part.

The following summarizes a number of the primary issues and how they have been resolved under the Final Regulations.

1. Business Property Sold and Treated As Capital Gains Income Under Section 1231.

CPAs and tax attorneys are aware that certain business property that would typically be sold and treated as ordinary income property can be taxed at capital gains rates, but that the net gains from the sale of business property will be reduced by net losses from the sale, so that capital losses can reduce ordinary sale income.

The Proposed Regulations provided that the net capital gain from all Section 1231 income and losses for

a taxable year would be the amount that can be invested in a Qualified Opportunity Zone, and provided that the taxpayer would have 180 days after the end of the tax year when the net 1231 gains and losses would be known.

The new Regulations provide that all of the Section 1231 gains can be considered as capital gains and deferred, without any reference to the losses, and that the 180-day period begins when each Section 1231 property sale or recognition has occurred.

Usually the taxpayer must recapture any Section 1231 losses that were taken within the last 5 years before Section 1231 gain could be considered capital gain. This does not apply with an investment in an Qualified Opportunity Fund so the taxpayer could avoid ordinary income taxes in this scenario. Additionally, if a taxpayer invests such Section 1231 gain before the end of 2021, the taxpayer could avoid the recapture on 1231 losses altogether because the taxpayer will be able to hold the property for over 5 years before taxes come due at the end of 2026.

2. The Final Regulations Make It Clear That Any Capital Gain That Can Be Deferred / Reduced By Re-Investment Must Be The Result of an Exchange With an Unrelated Person, to Prevent Family Members and Business Associates From Triggering Capital Gains.

The Final Regulations indicate that even arm's-length sales between related parties will not qualify, and also confirm that gain that is considered to be ordinary income, such as depreciation recapture income under Internal Revenue Code Section 1245 will not qualify.

In the same manner as is applicable to Section 1231 business property, the Regulations provide that normal capital gains do not have to be reduced by capital losses, and it appears that losses can be carried forward when gains that would otherwise be offset by them are rolled into Qualified Opportunity Zones.

3. Gain From the Partial Disposition of a Qualified Opportunity Fund Cannot be Reinvested in the Same Qualified Opportunity Fund

The Proposed Regulations stated that gain on a partial disposition of an interest in a Qualified Opportunity Fund could be reinvested into the Qualified Opportunity Fund. While this remains true, the gains must be reinvested in a different Qualified Opportunity Fund if the reinvestment occurs before 2027. A taxpayer who sells property to an unrelated Qualified Opportunity Fund and then reinvests the sales proceeds with the same Qualified Opportunity Fund will be considered to have engaged in a sale with a related party, and will not be eligible for the capital gains deferral or elimination benefits provided by an investment in a Qualified Opportunity Fund.

It is unclear in the Final Regulations whether a taxpayer will be able to sell all of their investment in a Qualified Opportunity Fund and then reinvest the proceeds into the same Qualified Opportunity. The IRS may take the position that such proceeds must be reinvested into a different Qualified Opportunity Fund to receive the tax benefits discussed in this article.

4. Installment Sales Treated Favorably.

Taxpayers who sell capital gains assets on the installment method elect to pay income tax on capital gains only as payments of principal under an installment note are received. For example, a taxpayer could sell vacant property with a cost basis of $200,000 to an unrelated party for $300,000, where the unrelated party pays interest plus $30,000 a year for 10 years. Under the installment sale method, the seller can elect to recognize all of the $100,000 of capital gains income in the year of sale, or may elect

to recognize $10,000 of gain each year, assuming that the buyer makes all payments and does not make any prepayments.

The Final Regulations allow the taxpayer in the above example to not elect the installment method and defer / reduce the capital gains tax by investing $100,000 in a Qualified Opportunity Zone, or the taxpayer might alternatively elect to use the installment method and would then need to invest $10,000 in a Qualified Opportunity Zone for each year that the taxpayer would like to defer / partially reduce the capital gains tax as payments are received. The taxpayer in the above example would not be permitted to invest $100,000 in a Qualified Opportunity Fund after and thus avoid the capital gains tax if she elected the installment method – – each year would need to stand on its own with respect to whether to offset the $10,000 capital gain by making an additional Qualified Opportunity Fund investment.

The Regulations make it clear that non-resident alien individuals and charitable entities subject to the unrelated business income tax can use this tax provision to defer and reduce capital gains taxes to the extent that the item would be included in computing the non-resident alien or charitable organization's income. If such capital gains income is received in a tax free manner, such as for a non-resident client who does not have adequate connections to the U.S. to be subject to tax, or is a charitable entity that will not incur any tax liability on such income, then a Qualified Opportunity Fund investment will not give that non-resident alien or charity a tax benefit upon subsequent sale more than 10 years after investment.

There are many other provisions in the new regulations that estate and tax planners need to know about. These will be covered in our next Thursday Report, which will hopefully be issued on a Thursday.

The authors will be conducting a Leimberg Information Systems Webinar on Friday, January 3, 2020 at 1 PM to 2:30 PM ET, entitled *FINAL Regs Issued 12/19 Economic Opportunity Zones: Certainty and Further Questions Resulting from Final Regulations*. Please join us by registering at the following link: http://leimbergservices.com/wdev/register.cfm?id=417&s=v

IRS Finalizes Basic Exclusion Amount & Deceased Spouse Exclusion Amount Regulations

- Why Well-Advised Affluent Taxpayers Should Be Ready to Use Their Exemption & How Families Will Save Millions of Dollars of Estate Tax if One Spouse Dies on or Before January 1, 2026

LISI Estate Planning Newsletter #2767 (December 9, 2019) at http://www.leimbergservices.com
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By: John Beck, Brandon Ketron, Ken Crotty & Alan Gassman

EXECUTIVE SUMMARY:

Many planners have been concerned that a client who makes a gift of more than half of the present $11,400,000 estate and gift tax exemption may end up owing gift tax when the exemption is reduced to one-half of its otherwise applicable level on January 1, 2026. In addition, practitioners were concerned that a surviving spouse receiving the Deceased Spousal Unused Exclusion ("DSUE") amount as the result of the death of a spouse that occurs before January 1, 2026 would have to use or lose the DSUE amount before a potential future reduction of the exemption amount to avoid having it reduced when the exemption is reduced. A third common concern was the question of whether the Consumer Price Index ("CPI") increases that occur each year on the entire $11,400,000-based exemption will be "half lost" effective January 1, 2026.

The Final Regulations, which are effective as of November 26, 2019, answer the first two issues in favor of the taxpayer, and also applies the GST exemption in the same manner, but takes away Chained-CPI increases until they exceed the excess of amounts gifted before December 31, 2025. For example, an individual who has never made gifts before who transfers $6,415,000 to his child will now have a $5,000,000 estate and gift tax exemption, assuming that the gift qualifies for the $15,000 annual gift tax exclusion, that will increase annually based upon $11,400,000 multiplied by the Chained-CPI factor that applies each year until January 1, 2026, when the estate and gift tax exemption for this individual will be zero, and the exemption will continue at zero until the Chained-CPI increases to the $5,000,000 inflation adjusted amount reaches and exceeds $6,400,000.

FACTS:

The CPI increase component of the Proposed Regulations conforms the rules of § 20.2010-1 to the change made by the Tax Cuts and Jobs Act ("TCJA") to use an alternative measure of inflation called Chained-CPI instead of the traditional CPI calculation. The difference between the two figures is relatively small, with Chained-CPI inflation measures being, on average, roughly 0.25 percentage points

lower than the calculations made using traditional CPI. This change, unlike other changes made by the TCJA, is permanent.

The inflation multiple is always applied against the full exemption amount applicable for the prior year, regardless of how much of the permitted exemption amount the taxpayer has actually used. For example, if a taxpayer has used $3,000,000 of their $5,400,000 exemption amount, the inflation multiple will be applied against the full $5,400,000.

COMMENT:

The explanatory Preamble and Final Regulations which replace the former Proposed Regulations were issued on Friday, November 22, 2019, written by Deborah S. Ryan, of the Office of Associate Chief Counsel (Pass-Throughs and Special Industries), who can be reached at (202) 317-6859.

The Preamble and Final Regulations are well-written, but it takes a tax lawyer or a CPA - and a good deal of time - to assure that they are well understood.

For example, one sentence in the new Regulations that appears in Section 20.2010-1 with respect to the special rule to apply where there is a difference between the exclusion amount applicable to gifts, and the exclusion amount applicable on death reads as follows:

> If the total amounts allowable as a credit in computing the gift tax payable on the decedent’s post-1976 gifts, within the meaning of section 2001(b)(2), to the extent such credits are based solely on the basic exclusion amount as defined and adjusted in section 2010(c)(3), exceeds the credit allowable within the meaning of section 2010(a) in computing the estate tax, again only to the extent such credit is based solely on such basic exclusion amount, in each case by applying the tax rates in effect at the decedent’s death, then the portion of the credit allowable in computing the estate tax on the decedent’s taxable estate that is attributable to the basic exclusion amount is the sum of the amounts attributable to the basic exclusion amount allowable as a credit in computing the gift tax payable on the decedent’s post-1976 gifts.[1]

Did you miss Aunt Bee? Those of us who watched the Andy Griffith Show and Mayberry R.F.D. in the 1960's remember that Aunt Bee was a model in stability, traditional wisdom and ethics.[2]

The Regulations use the abbreviation BEA to stand for the term the “Basic Exclusion Amount.” The BEA was increased by $5,000,000 to $10,000,000, as adjusted for inflation, and this is referred to in the Regulations as the “increased BEA.” The BEA will revert to $5,000,000 as adjusted for inflation, on January 1, 2026.

Three examples can summarize the impact of these Regulations.

> 1. Gomer Pyle is single and has not used any of his $11,400,000 exemption.
>
> He makes a $3,000,000 gift that is reported on a gift tax return, reducing his remaining exemption amount to $8,400,000.
>
> If the CPI adjusted exemption is $11,400,000 on December 31, 2025, and no further gifts are made, then Gomer’s BEA will be reduced to $2,700,000, plus whatever the inflation adjustment is on the January 1, 2026 $5,700,000 exemption amount. Shazam!

2. If Gomer had instead gifted $8,700,000 in 2019, and makes no further gifts, then he will have used all of his $5,700,000 exemption amount. His exemption amount will still increase based on the CPI adjustment calculated in relation to the full $5,700,000, but it might come as a surprise, surprise, surprise to some that he will not realize any benefit until the exemption amount, as adjusted for inflation, exceeds the $8,700,000 that he gifted before 2026.

In other words, Gomer used all of his $5,700,000 and will not receive any additional exemption until the CPI adjustments bring the exemption amount above $8,700,000. Golly, Gomer didn't even need to see Floyd the Barber to get a haircut on this one!

3. Let's assume that Andy Griffith survived his wife, Mrs. Griffith, and that Mrs. Griffith had only made a $3,000,000 gift in 2019.[3]

If Mrs. Griffith dies on December 31, 2025 when the CPI adjusted exemption is $11,400,000, then Andy's DSUE amount under the portability rules will be $8,400,000, and this DSUE amount will not be reduced on January 1, 2026.

Assuming that Andy makes no gifts in the future, his BEA on death will be the sum of (a) $5,700,000, as adjusted going forward for inflation; and (b) $8,400,000.

It is noteworthy that the $8,400,000 part of the exemption can not be used to fund trusts or arrangements where Opie (his child) could receive benefits and then have the values pass to grandchildren or more remote descendants without triggering generation-skipping tax, unless Opie is given a general power of appointment over the assets.[4]

Andy could have made a gift of $5,700,000 on January 1, 2026 (assuming that he is not too upset by his wife's passing) to form a trust that will be both estate tax and GST tax exempt, which would first use up a portion of the $8,400,000 DSUE amount and also Andy's GST exemption, and then his remaining exemption would be based upon the remaining $2,700,000 DSUE amount, which does not rise with inflation, and the annual inflation adjustments that occur to the $5,700,0000 exemption after January 1, 2026. Therefore, if the inflation adjustment is 2.5% for 2026, and 2.5% for 2027, then $5,700,000 multiplied by 2.5% rounded to the nearest $10,000 results in a $140,000 increase and a $5,840,000 personal BEA held by Andy in 2026, and a $150,000 increase ((($5,700,000 + 140,000) x 0.025) rounded to the nearest $10,000) in 2027 for a total personal BEA of $5,990,000, which can be added to the remaining $2,700,000 DSUE amount. Andy would also have $140,000 of GST exemption in 2026, which would increase to $290,000 in 2027 assuming that no GST exemption was allocated.

The updated Regulations provide four Examples that explain how the exemption amount is applied upon a taxpayer's death. If a taxpayer dies after December 31, 2025 and had made gifts using some or all of the increased exemption amount that had been available, then that taxpayer will receive a credit for the amount of increased exemption that the taxpayer used during his or her lifetime. For example, if a taxpayer gifted $9,000,000 in 2019, when the exclusion amount was $11,400,000, and then that taxpayers dies in 2027 when the exclusion amount may be $6,000,000, then all assets included in the taxpayer's estate will be subject to estate tax. The taxpayer will be treated as if the taxpayer died with a $9,000,000 exclusion amount, that was used solely on the $9,000,000 gift.

The four examples provided with the new Final Regulations are as follows:

Example 1. Individual A (never married) made cumulative post-1976 taxable gifts of $9 million, all of which were sheltered from gift tax by the cumulative total of $11.4 million in basic

exclusion amount allowable on the dates of the gifts. The basic exclusion amount on A's date of death is $6.8 million. A was not eligible for any restored exclusion amount pursuant to Notice 2017-15. Because the total of theamounts allowable as a credit in computing the gift tax payable on A's post-1976 gifts (based on the $9 million of basic exclusion amount used to determine those credits) exceeds the credit based on the $6.8 million basic exclusion amount allowable on A's date of death, this paragraph (c) applies, and the credit for purposes of computing A's estate tax is based on a basic exclusion amount of $9 million, the amount used to determine the credits allowable in computing the gift tax payable on A's post-1976 gifts .

Example 2. Assume that the facts are the same as in Example 1 of paragraph (c)(2)(i) of this section except that A made cumulative post-1976 taxable gifts of $4 million. Because the total of the amounts allowable as a credit in computing the gift tax payable on A's post-1976 gifts is less than the credit based on the $6.8 million basic exclusion amount allowable on A's date of death, this paragraph (c) does not apply. The credit to be applied for purposes of computing A's estate tax is based on the $6.8 million basic exclusion amount as of A's date of death, subject to the limitation of section 2010(d).

Example 3. Individual B's predeceased spouse, C, died before 2026, at a time when the basic exclusion amount was $11.4 million. C had made no taxable gifts and had no taxable estate. C's executor elected, pursuant to §20.2010-2, to allow B to take into account C's $11.4 million DSUE amount. B made no taxable gifts and did not remarry. The basic exclusion amount on B's date of death is $6.8 million. Because the total of the amounts allowable as a credit in computing the gift tax payable on B's post1976 gifts attributable to the basic exclusion amount (zero) is less than the credit based on the basic exclusion amount allowable on B's date of death, this paragraph (c) does not apply. The credit to be applied for purposes of computing B's estate tax is based on B's $18.2 million applicable exclusion amount, consisting of the $6.8 million basic exclusion amount on B's date of death plus t he $11.4 million DSUE amount, subject to the limitation of section 2010(d).

Example 4. Assume the facts are the same as in Example 3 of paragraph (c)(2)(iii) of this section except that, after C's death and before 2026, B makes taxable gifts of $14 million in a year when the basic exclusion amount is $12 million. B is considered to apply the DSUE amount to the gifts before applying B's basic exclusion amount. The amount allowable as a credit in computing the gift tax payable on B's post-1976 gifts for that year ($5,545,800) is the tax on $14 million, consisting of $11.4 million in DSUE amount and $2.6 million in basic exclusion amount. This basic exclusion amount is 18.6 percent of the $14 million exclusion amount allocable to those gifts, with the result that $1,031,519 (0.186 x $5,545,800) of the amount allowable as a credit for that year in computing gift tax payable is based
solely on the basic exclusion amount. The amount allowable as a credit based solely on the basic exclusion amount for purposes of computing B's estate tax ($2,665,800) is the tax on the $6.8 million basic exclusion amount on B's date of death. Because the portion of the credit allowable in computing the gift tax payable on B's post-1976 gifts based solely on the basic exclusion amount ($1,031,519) is less than the credit based solely on the basic exclusion amount ($2,665,800) allowable on B's date of death, this paragraph (c) does not apply. The credit to be applied for purposes of computing B's estate tax is based on B's $18.2 million applicable exclusion amount, consisting of the $6.8 million basic exclusion amount on B's date of death plus the $11.4 million DSUE amount, subject to the limitation of section 2010(d).

The Preamble to the Final Regulations also contains the following explanation as to why post-2025 inflation adjustments to the BEA will not provide additional benefits until the inflation adjusted amount exceeds the amounts previously gifted:

As previously discussed, under the special rule, the post-2025 inflation adjustments provide no additional benefits to the decedent until the post-2025 BEA, as adjusted for inflation, exceeds the amount of the BEA previously allowable to shelter gifts from gift tax. A commenter pointed out that, under current law, inflation adjustments to the BEA that become effective after a gift was made are available against the tax on subsequent gifts or the taxable estate, even if the full amount of the BEA at the time of the prior gift was allowable against the gift tax on that gift. The commenter questioned why this should not continue to be the case after 2025. Although it is true that subsequent inflation adjustments are available to the taxpayer in later years, a reduction in the BEA creates a very different situation that justifies a different result. In that case, which is the focus of the special rule, the statute provides that, on January 1, 2026, the BEA is reset at a reduced amount. While that amount will be subject to annual inflation adjustments, the usual rules will continue to apply. Specifically, exemption that shelters gifts during life is not available on death. Thus, if the amount of BEA allowable during life exceeds the date of death BEA, there is no remaining BEA available to the decedent's estate, even though the BEA at death includes post-2025 inflation adjustments. Thus, the special rule does not eliminate the benefit of the post-2025 inflation adjustments; however, neither does it change the fact that the credit based on the BEA may be applied only once.

Conclusion

Don't be tied up in Knotts5, or think that the IRS has made this more complicated than it needs to be on porpoise.6 The Regulations provide us with valuable clarification on how estate taxes will be calculated for clients that use part of the increased exemption amount on or before December 31, 2025. It is clear that those individuals who gift in excess of what the exemption amount will be in 2026 and beyond need to structure their affairs to be able to take full advantage of the temporarily doubled exemption amount, while understanding that CPI increases after the exemption is reduced will not be available unless or until the inflation adjusted reduced exemption exceeds the amount of lifetime reportable gifting that has occurred.

CITATIONS:

1 This reminds the authors of our favorite Internal Revenue Code Provision, the flush language of Section 509(a), which reads as follows - "For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an organization described in section 501(c)(4), (5), or (6) which would be described in paragraph (2) if it were an organization described in section 501(c)(3)."

2 The Andy Griffith Show debuted in 1960, and in 1968 transitioned into "Mayberry R.F.D." which ran until 1971.

3 Andy's wife's name remains one of the mysteries of the "Andy Griffith Show" as she is only mentioned twice in the entire series.

4 Opie, Andy Griffith's son, was played by Ron Howard who went on to become a successful director and executive producer whose credits include Apollo 13, A Beautiful Mind, Solo: A Star Wars Story, and Arrested Development (Remember there is always money in the banana stand!).

5 Donald Knotts was an actor best known for playing Deputy Sheriff Barney Fife on The Andy Griffith Show and is ranked as one of the 50 Greatest TV characters of all time by TV Guide.

6 See the movie, "The Incredible Mr. Limpet," starring Don Knotts, and a cartoon dolphin who bought and apparently sold real estate (he was a

Flipper) for further guidance on how to handle the ebbs and flows of planning in this environment.

Checklist: 2020 Election

By: Martin Shenkman

No one can predict what the 2020 election might bring, but if it brings a sufficient shift in power to the Democrats, that will likely be followed by a much more stringent estate tax system and perhaps even a wealth tax. While there is no assurance that any planning you complete today will survive such changes unscathed, isn't it smarter to complete planning in advance to have a chance of avoiding the harsh changes then to just take your chances? Read More

For Finkel's Followers

3 Ways to Find More Time to Work on What Really Matters

If you aren't already a follower of David Finkel, this section of the Thursday Report may change your mind! Email agassman@gassmanpa.com for a free copy of David's book *Build a Business, Not a Job!*

If you've ever been curious what my life is like, then come over for an evening at my house.

As you walk into our calm and peaceful home, I greet you at the door and lead you to our clean and immaculately set kitchen table.

My kids are sitting quietly, napkins on laps, patiently waiting for their turn to share about their day. Each of them respectfully listens to their brothers share and then asks insightful, probing questions, making it evident how much they care about each other—not!

That's fantasy land.

When you walk in the first thing that you'll notice in the real world is the noise. My god, the noise. How can three boys be so loud?

You'll see my wife, Heather, telling me about a Cub Scout activity we need to attend that weekend, while my youngest son, Joshua, is trying to get my attention by throwing Cheerios at my head.

My son Adam is yelling, "Listen!" while his twin brother Matthew is poking me and thrusting his iPad in my face, hoping that in the chaos and confusion I'll reflexively put the pin code in so he can get extra screen time to play Minecraft.

My point with sharing this (besides the fact that I know that you can relate) is that the strategy of waiting for my family to spontaneously show self-restraint and transform into a well-organized, smoothly flowing machine is doomed to fail.

Of course you know this, because chances are your home is very similar.

But why then do so many business leaders behave as if they can just passively wait for their current wave of demands, fires, and tasks to pass so that they magically will be left with some time, space, and quiet to get to those important projects they've been meaning to work on.

I know at times I've been guilty of just this sort of fantasy thinking – just falling into the rush of a hectic week, leaving me at the end with a sense that while I did a lot of "stuff", I just never got to my highest value work.

Feel familiar to you?

In your company, just like in my company, this current wave of immediate needs will be followed by another, and another, and another. Tomorrow will be just as overfull and stressful as today unless you embrace what I call the Value Economy and make different choices.

If you want to create a space to work on your most important projects, you've got to actively make this happen.

Here's How to Make It a Reality….

Step 1: Set Up Focus Time

At a minimum – setting aside a few blocks of uninterrupted "focus time" each week to invest in your highest value creation work.

If you can't regularly reclaim two, four, or six hours of your week in one- to three-hour blocks to do the high-value work you're really on the payroll to do, then all the movement and frenzied activity of responding to requests and processing your inbox is just a sham.

Step 2: Get A Handle On Time Vs. Value

Somehow, we have fooled ourselves into thinking that if we only work harder, longer, faster, that we can work our way out of the hole. But that's like someone stuck at the bottom of a deep pit shoveling

away. When you ask them how they plan on getting out, they shout up, “I’ll just dig faster!” Doing so won’t make my home suddenly peaceful, and it’s not going to suddenly make your business more productive.

Step 3: Develop Systems

While you can’t control the chaos, you can put systems and controls in place to help things run smoother and you should involve your entire team in the process.

The more you let your team help cook the meal, the more they will be willing to eat after.

If you want your team to buy into using systems, give them a real voice in their creation. Where possible, get your team to be the ones who create the systems for your company. This may require you get them outside training on what it means to create a system–so do it.

Here’s to many more nights of calm and peaceful dinners (or at the very least controlled chaos.)

Humor

1245

GASSMAN, CROTTY
& DENICOLO, P.A.

ATTORNEYS AT LAW

ALAN S. GASSMAN
KENNETH J. CROTTY
CHRISTOPHER J. DENICOLO
BRANDON L. KETRON
JOHN N. BECK

DON'T RESIST
THE URGE
TO RESIST
URGES

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BRANDON L. KETRON
JOHN N. BECK

HARMONY
HARMONICA
HAPPY
HANUKKAH

- On December 22, 1970 First Lady Pat Nixon receives a christmas gift feather from Big Bird. **There was no quid pro quo, it was very legal and very cool.**
- Why is Oscar The Grouch always getting in trouble? **Trash-talking.**

Upcoming Events

Recent Updates

Register for the full complimentary Learning at Lunch webinar series

Date	Event	Details	Information
1/2/2020	Learning at Lunch Webinar Series	Alan Gassman, Christopher Denicolo and Brandon Ketron present: 30 Minutes To Understand The SECURE Act from 12:30 PM to 1 PM ET	REGISTER HERE
1/3/2020	Leimberg Webinar Services (LISI)	Alan Gassman and John Beck present: *Economic Opportunity Zones: Certainty and Further Questions Resulting from Final Regulations* from 1 PM to 2:30 PM ET	REGISTER HERE
1/9/2020	Learning at Lunch Webinar Series	David Finkel presents: *The Ten Must-Follow Rules to Leverage Your Personal Assistant to Make Your Life More Fun, Profitable, and Enjoyable* from 12:30 PM to 1 PM ET (Moderated by Alan Gassman)	REGISTER HERE
1/9/2020	Leimberg Webinar Services (LISI)	Alan Gassman, Christopher Denicolo and Brandon Ketron present: *Practical Estate and Trust Planning After the Secure Act - Including Sample Provisions, Checklists and Client Explanation Letters* from 1 PM to 2:30 PM ET	REGISTER HERE
1/15/2020	Heckerling Institute on Estate Planning in Orlando, FL	Alan Gassman will presenting at *the Interactive Legal Luncheon with Dr. Srikumar Rao* and at the *Interactive Legal Booth*	REGISTER HERE
		David Howell, Larry Rybka and Tom Love present: *How to Retire in*	

1/16/2020	Learning at Lunch Webinar Series	*the Magical Retirement Income Castle in the Clouds* from 12:30 PM to 1 PM ET (Moderated by Alan Gassman)	REGISTER HERE
1/21/2020	Community Foundation of Sarasota County - Distinguished Speaker Series	Alan Gassman presents: *Creditor and Trust Planning Strategies You May Not Know About*	REGISTER HERE
1/23/2020	Learning at Lunch Webinar Series	Christopher Denicolo presents: *Explaining the Installment Sale to a Defective Trust* from 12:30 PM to 1 PM ET (Moderated by Alan Gassman)	REGISTER HERE
1/30/2020	Learning at Lunch Webinar Series	Alan Gassman presents: *The Biggest Mistakes Physicians Make As Owners and Non-Owners in Medical Practices* from 12:30 PM to 1 PM ET	REGISTER HERE
1/31/2020	ABA Tax Section Meeting in Boca Raton, FL	Alan Gassman participates in a panel discussion: *TCJA - Hot Topics for Closely Held Businesses* from 2:30 to 3:30 PM ET	REGISTER HERE
2/6/2020	Johns Hopkins All Children's 22nd Annual Estate, Tax, Legal & Financial Planning Seminar at mutiple viewing locations across Florida	Please consider attending to support this great event	REGISTER HERE
2/6/2020	Learning at Lunch Webinar Series	John Beck presents: *Don't Be Passive: Passive Rental Losses* from 12:30 PM to 1 PM ET (Moderated by Alan Gassman)	REGISTER HERE
2/12/2020 through 2/14/2020	The Florida Tax Institute at Marriott Waterside Tampa in Tampa, FL	Please visit our display table in the Exhibit Hall for a free book	REGISTER HERE
		Alan Gassman presents: *Planning for Florida*	

2/13/2020	Learning at Lunch Webinar Series	*Dental Practices and Their Owners - Part 2* from 12:30 PM to 1 PM ET	REGISTER HERE
2/13/2020	Leimberg Webinar Services (LISI)	Alan Gassman, Jonathan Blattmachr and Sean Healy present: *NFA Gun Trusts: Keeping Safe At The Range And In The Estate Plan* from 3 PM to 4:30 PM ET	REGISTER HERE
2/14/2020	LawEasy Webinar	Alan Gassman and Martin Shenkman present: *Asset Protection for Physicians - Part 1*	More information available soon
2/21/2020	LawEasy Webinar	Alan Gassman and Martin Shenkman present: *Asset Protection for Physicians - Part 2*	More information available soon
3/26/2020	Creative & Personal Mastery For Estate Planners in Tampa, FL	Dinner and evening workshop with Professor Rao and Alan Gassman	MORE INFORMATION
3/27/2020	Creative & Personal Mastery For Estate Planners in Tampa, FL	Full day core program led by Professor Rao, followed by dinner with Professor Rao and Alan Gassman	MORE INFORMATION
3/28/2020	Creative & Personal Mastery For Estate Planners in Tampa, FL	Breakfast and morning workshop with Alan Gassman, followed by lunch talk by Professor Rao	MORE INFORMATION
5/1/2020	USF Resident Intern meeting at Tampa General Hospital in Tampa, FL	Alan Gassman presents: *Contract Negotiations* from 4 PM to 5 PM ET	MORE INFORMATION
5/?/2020	Reno Estate Planning Council in Reno, NV	A morning or afternoon with Alan Gassman: *4 Hours To Spur Wild West Planners Into Action!*	More information available soon
5/15/2020	USF Resident Intern meeting at Tampa General Hospital in Tampa, FL	Alan Gassman presents: *Contract Negotiations* from 4 PM to 5 PM ET	MORE INFORMATION

5/29/2020	USF Resident Intern meeting at Tampa General Hospital in Tampa, FL	Alan Gassman presents: *Contract Negotiations* from 4 PM to 5 PM ET	MORE INFORMATION
6/5/2020	USF Resident Intern meeting at Tampa General Hospital in Tampa, FL	Alan Gassman presents: *Contract Negotiations* from 4 PM to 5 PM ET	MORE INFORMATION
7/3/2020	Florida Bar Tax Section Workshop at Amelia Island, FL	Alan Gassman presents: *Tax Lawyer Professional Acceleration Workshop* from 8:30 AM to 12:30 PM ET	More information available soon
8/29/2020 through 8/30/2020	46th Annual Notre Dame Tax & Estate Planning Institute	Please consider attending to support this great event	Registration available soon

We welcome contributions for future Thursday Report topics. If you are interested in making a contribution as a guest writer, please email Alan at agassman@gassmanpa.com

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