Welcome TO THE TEAM!


MARIE ROBERTS

Marie Roberts is our newest addition to the probate department in our Henderson office. Marie is new to the legal field and loves working in the probate department with her team. Welcome, Marie!


MARY LEFLER

Mary Lefler joins the firm in the Gubler acquisition as a paralegal in our Summerlin office. Mary will be handing all of the Gubler estate planning and probate matters in our Summerlin office. She brings with her over 13 years of experience in working in a law firm. Welcome, Mary! JB

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CLIENT FOCUS

ESTATE AND GIFT TAX PLANNING

A critical step in achieving one's financial aspirations should include implementing strategic tax planning opportunities to decrease their taxable estate. Presently, the federal tax rate applied to wealth transfers upon death or made through lifetime gifts is 40%. At such a high rate, this can significantly decrease the amount of assets and legacy one can leave for future generations. Accordingly, it is no surprise that federal wealth transfer taxes (gift, estate, and generation-skipping transfer taxes) have a profound influence on day-to-day estate planning for wealthy clients.

Fortunately, each taxpayer has a coupon that shelters some of their transferred assets from federal wealth transfer taxes. This coupon is known as the unified credit or lifetime exemption amount. In 2012, The American Taxpayer Relief Act (ATRA) permanently set this exemption amount at $5 million per individual, adjusted for inflation. Then, just five years later, the Tax Cut and Jobs Act (TCJA) temporarily doubled this exemption amount to $10 million, adjusted for inflation. The inflation adjusted exemption amount for 2022 is $12.06 million. Total wealth transfers upon death or throughout one's life that are less than or equal to this exemption amount are free from federal wealth transfer taxes.

In 2021, the Biden administration's Build Back Better Act (BBBA) included proposals to decrease the exemption amount back to ATRA's $5 million per person, starting in 2022. This resulted in a rush of clients engaging in wealth transfer transactions to take advantage of the high exemption amount available in 2021. Ultimately, these proposals lacked support from Senators Kyrsten Sinema and Joe Manchin, and were removed from the BBBA.

The IRS just announced that the inflation adjusted exemption amount for 2023 will be $12.92 million per person, an increase of $860K (a total of $1.72M for married couples) from the 2022 amount. This is welcome news for those individuals or families who may now have additional planning opportunities to transfer wealth and shelter assets from estate taxes.

It is important to note that the increased exemption amount set by the TCJA is temporary and is set to sunset at the end of 2025. Starting in 2026, the exemption amount will revert to the ATRA amount of $5 million per person, adjusted for inflation. Although the urgency we felt in 2021 has dissipated, it's important to take advantage of the exemption before it's too late. Many individuals or families who do not currently have a taxable estate should still consider gift planning as the 2026 sunset may result in them having a taxable estate.

For those individuals or families hovering around the exemption amount that worry that major gifting would limit their cash flow, they can use a completed gift Nevada Asset Protection Trust (NAPT) in which they can utilize the exemption amount while still having access to the funds. Other planning strategies are still being used to maximize the application of the exemption. These strategies include valuation discounting for lack of control and marketability, sales to Intentionally Defective Grantor Trusts (IDGT), and Grantor Retained Annuity Trusts (GRAT).

Call us today to discuss available gifting options to ensure you are maximizing the estate and gift tax exemption and ultimately leave more to your beneficiaries. JB

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ASSET PROTECTION – FORMALITIES MATTER

For those of our clients with asset protection trusts (Nevada On-Shore Trusts™ or NOSTs), we would like to remind you of some of the things that you should be doing on a regular basis to maintain your NOST and any related entities. For the most part, these recommendations are small and simple steps that can be taken to help ensure your NOST and business entities would be respected in the event there is a challenge to the validity of your planning in court.

1 **Annual Meetings:** It is recommended that the current serving trustees meet together annually and complete annual meeting minutes, including the completion of distribution authorization(s) to be signed by all the trustees. The paperwork for this meeting should be completed each year and kept with your records. We recommend that you send copies of the distribution authorizations, minutes and notes to our firm, and we will store them with your electronic file. Many clients request that our office host the meeting and prepare the annual documents.

2 **Asset Inventory Recordings:** The statutes that govern the NOST provide that assets transferred to the NOST would be fully protected from creditors upon the later of two years from the time the asset was transferred to the NOST or six months from the time that a creditor discovered or should have discovered the transfer. Furthermore, the statutes provide that a creditor will be deemed to have discovered or should have discovered the transfer if the NOST has provided a public record of the transfer. In addition to the publication in a periodic newspaper of the formation of the NOST, our firm strongly recommends that there be an asset inventory of the NOST created and then recorded with the County Recorder. These actions are intended to eliminate the potential six-month "tail" or waiting period that could exceed the two-year waiting period if proper notice is not provided by the NOST. It is important to remember the two-year waiting period relates back to the time a particular asset is transferred to the NOST, and not to the date the NOST itself was formed. It is important to prepare and record a new asset inventory filing for any new asset being transferred to your NOST. This is a good topic to discuss with one of the attorneys at our firm during your annual meetings and to determine if a new inventory filing is required to reflect new assets that have been transferred to the NOST.

3 **Distribution Authorizations:** Remember that before a distribution can be made from the Trust to a Trustor (creator of the Trust), the distribution must be approved by the Distribution Trustee. This requirement may be met by having the Distribution Trustee approve an allowance for each coming year. The authorization will specify the dollar amount each month that may be distributed to the Trustors. It is vitally important that the distribution authorization be done at least annually. If the Trustor needs a distribution that exceeds the allowance, a separate distribution authorization must be obtained from the Distribution Trustee.

4 **Observe Formalities:** Many of our clients with a NOST may also have one or more limited liability companies (LLC) that were formed or transferred to the NOST at about the same time of the NOST's creation date. It is important that each LLC, or other business entity owned by the NOST, is treated as a distinct, separate entity from the other(s). Each entity, including the NOST, should have a separate bank account so that money may flow properly between the NOST and the LLCs and ultimately to the beneficiaries. Each entity should also keep separate books and records.

If it has been a while since you have discussed your NOST with your attorney, we encourage you to call us and schedule an appointment to come in and discuss these important matters. JB

JB HAPPENINGS

J. Burke Williamson recently passed the Nevada and Utah Bar Exams and has become our newest associate attorney at Jeffrey Burr. Burke graduated from Southern Utah University (Magna Cum Laude) in 2013 with a Bachelor of Science Degree in Business Management. He attended William S. Boyd School of Law at UNLV, graduating in December of 2021 with his Juris Doctorate. He went on to earn his LL.M. (Master of Laws in Taxation) from Loyola Law School in December 2021, graduating with distinction and earned the First Honors Award in Taxation of Exempt Organizations.

During law school, Burke externed for the Probate Commissioner, Wesley Yamashita, in the Eighth Judicial District Court, State of Nevada, and was the President of the J. Reuben Clark Law Society. Prior to attending law school, Burke was a Senior Associate at Goldman Sachs.

Kari L. Stephens, Esq. celebrates 10 years with Jeffrey Burr. Kari has been practicing probate and trust law in Las Vegas for over 22 years and is currently the firm's Managing Attorney in the Summerlin Office. Kari earned her Bachelors in Business Administration from Oregon State University in 1992 and her Juris Doctor from Willamette University College of Law in Salem Oregon in 1997. Kari is actively involved in the legal community, including the State Bar of NV Board of Governors, CCBA, including past President and is a member of the Probate and Trust Section of the State Bar. Congratulations Kari on your milestone.

Congratulations Angie Dwinell on 10 years with Jeffrey Burr. Angie, a native of South Dakota, received her bachelor's degree in Business Administration in 1995. She has worked in the legal field for 27 years, 19 of those years as a legal administrator and 10 as our Director of Operations. Congrats, Angie! JB

PROPERTY TAX CAP

Earlier this year, Clark County homeowners were mailed a Property Tax Cap postcard by the Clark County Assessor's office to fill out and return if they are living in a home that is their primary residence. Doing so caps the property tax rate at 3%. The deadline to file the tax cap for 2021-2022 fiscal year was June 30, 2022. If you did not receive a postcard mailed to you earlier this year by the Assessor's office, please contact the Clark County Assessor's office at AOCustomerServiceRequests@clarkcountynv.gov to receive your tax cap form. JB

JOHN G. GUBLER CLIENTS!

welcome TO OUR family

In April of this year, the law firm of Jeffrey Burr purchased John G. Gubler's law firm including the files of many of his long-time clients like you. Our office recommends you review your estate plan every few years to make sure your estate plan meets your wishes. If you would like to schedule a consultation to review your estate plan or would like to make updates to your Will or Trust, please contact Mary Lefler at 702.254.4455. JB