

**By Matthew Crider, JD
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It looks as if the long and weary road to estate tax clarity may soon be at an end. Especially if Washington lawmakers vote to approve the tax package negotiated between President Obama and Republican leaders without making too many changes.

Laura Saunders of the Wall Street Journal claims in her recent article that everything looks to be coming up roses, "it seems estate planners got everything they wanted and nothing they didn't." Good news for estate planners translates into good news for our clients. We recommend you read the entire article for the full story, but here are some of the highlights of what estate taxes may have in store for us in 2011:

Tax Election for 2010 Estates: This is one of the biggest parts of the deal. "The bill gives 2010 estates the choice of whether to use 2010 or 2011 tax rules." This is good news because "the tax on heirs who sell assets of those who died in 2010 is based on the original acquisition cost of the assets, not on their value as of the date of the taxpayer's death, as is usually the case," meaning that "taxes were higher if they died in 2010 than 2009 or 2011."

Unification of the Estate, Gift, and Generation-Skipping Taxes: "In recent years the exemptions for the three levies have been out of synch, complicating succession planning for family businesses and other matters." With the new deal, however, there would be a simple \$5 million per-individual exemption for all three.

And of course we can't have a conversation about estate taxes without discussing **Effective Date and Duration:** The effective date of the new provisions is set to be January 1, 2011. As for duration, "The Senate's bill makes this regime effective only for 2011 and 2012, at that point the provisions 'sunset.'" What this means is that the new tax package may be only a temporary reprieve, and we could be going through all of this again in 2012-2013.

About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His family law and divorce focuses on assisting families in a dissolution matters, including divorce, child custody and visitation, child and spousal support, spousal support and alimony, and parental rights.

