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## **WILL YOUR SMALL BUSINESS SURVIVE AFTER YOUR DEATH?**

You have worked so hard for the success of your small business, but have you thought about what will happen to it after you are gone? By planning in advance, the small business owner can ensure that his or her wishes are followed should the unthinkable occur. Not only does this kind of planning make for an easier transition on those left behind, but it also saves money and can literally keep the business from failing all together.

Your small business is a part of your estate, and just like your home and other assets, planning needs to be done for how it should be handled upon your death. You'll want to go over your options with a qualified Charlotte wills and estates attorney and make them legal and binding through the proper documentation. Of course, you'll also want to communicate with those individuals who will be charged with executing your wishes and keeping the small business running smoothly.

Unfortunately, the death of a small business owner can also spell the death of the business. Estate taxes can be so expensive that the business just cannot survive paying them. Within nine months of your death, taxes will be due to the IRS. It's pretty hard to imagine a small business surviving the loss of a large portion of its' value.

Laws like this play a role in the fact that small businesses do not typically survive through the generations. According to *The Small Business Review*, only about 30% of family businesses make it to the second generation, 12% to the third generation, and 3% to the fourth generation. Obviously, there are a number of factors involved, but the need to pay taxes and take care of other transitional costs create a significant burden in passing a business on to heirs.

By planning in advance, you can take advantage of Section 303 and Section 6166 of the tax codes. These breaks do things like limit taxes on your heirs' stocks and to allow for the estate tax to be paid over the course of 15 years, respectively. Of course, these tax breaks are best utilized when they are understood in advance and the small business owner has made plans for their implementation.

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