
Charitable lead trust vs outright gift

Posted by Brian - 2007/08/14 12:57

I have a client with a large estate that wants to gain income tax deductions by making charitable gifts but also has a taxable estate. What type of analysis should be done to determine the appropriate estate/tax planning technique that should be implemented?

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Re:Charitable lead trust vs outright gift

Posted by steve - 2007/08/17 15:05

Consider the following:

- Are the clients advanced in age?
- Are the clients married or plan on getting married?
- Do the clients have any health issues?
- What is the client's AGI?
- Are the client real property rich and cash poor?
- Are the clients willing to make annual donations or are they unwilling to release control and donate annually?

FYI the estate tax is a flat 46% for yeras 2006 and the highest income tax bracket is 35%. So, I could concentrate on estate planning exposure then the income tax exposure.

Try obtaining a software program such as BNA Estate Planning software or CCH estate planning software.

Have the client's CPA prepare an proforma income tax return taking into consideration the anticipated annual charitable gifts. You as the attorney should do the proforma estate tax exposure analysis.

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