

insights

TYPES NOT MAPPED YET April 25, 2017 | TTR not mapped yet | Steve B. Gorin

Landmark SE Tax Case; Post-Mortem Planning; Grantor Trust Reimbursement

Webinar

This free webinar will cover my 1st Quarter 2017 newsletter, including:

- For the first time ever, the Tax Court ruled that a member of a limited liability company was not subject to self-employment tax. We will discuss the case in depth, including insights from the transcript not shared in my newsletter. We will compare and contrast this against the CCA discussed in the 4th quarter 2016 newsletter. An unrelated case, involving a financial advisor who attempted to deflect income through an S corporation - without going through the proper channels - will also be analyzed.
- Partnerships and S corporations create unique income tax issues when an individual owning them dies or a trust owning them terminates. Inertia can cause high income tax rates to apply after such an event. Also, if those receiving the business interest after the event differs from those taxed on the pre-mortem income, nasty surprises can happen - for example, the surviving spouse is the grantor's first wife and is taxed on income, but tax distributions go to the children from the grantor's first marriage. We will discuss practical approaches to these issues.
- Grantor trusts are the gift that keeps giving - the grantor paying the trust's income tax. The burden unexpectedly became too great for one grantor, so the family agreed to cause the trust to reimburse him. The IRS ruled that amending the trust in that manner did not constitute a gift. We will discuss the ruling, advantages and disadvantages of reimbursement clauses, and alternatives.

The live presentation of this program was approved for 1.0 hour general CLE credit in California and Illinois, and 1.2 hours of general CLE credit in Missouri. CLE credit is no longer available for this recording.

Presenter:

[Steve Gorin](#)

Steve's 1st Quarter 2017 newsletter is available [here](#).

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