

**POST MORTEM ESTATE PLANNING
SYLLABUS**

Villanova University Graduate Tax Program

Fall 2005

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Text and Materials:

1. Class Problems and Additional Materials.
2. Internal Revenue Code and Regulations.

Topics:

Unit 1. Elections and Tax Planning Opportunities with Respect to Form 706: Federal Estate Tax Return:

- Changes in the 2001 Tax Act
- Alternate Valuation Election; Basis of Inherited Property
- Estate Tax Deferral under Section 6166
- Section 303 Redemptions
- Disclaimers
- QTIP Elections

Unit 2. Elections and Tax Planning Opportunities with Respect to Form 1041: Fiduciary Income Tax Return and Form 1040 Decedent's Final Individual Income Tax Return:

- Administration Expenses
- Medical Expenses
- Deduction for Estate Taxes Paid on Income in Respect of a Decedent
- Decedent's Carryover and/or Suspended Passive Activity Losses
- Joint Tax Returns
- Selecting and Planning for the Taxable Year
- Section 645 Election
- Sixty-Five Day Rule for Distributions
- Election to Recognize Gain under Sections 643(e)(3)
- Related Party Rules of Section 267

Unit 3. Funding Issues in Estate Administration:

- Review of Formula Bequests
- Estate Tax Implications of Formula Bequests
- Income Tax Consequences of Funding Bequests
- Impact of Distributable Net Income on Distributions

Unit 4. GST Planning and Planning for Distributions from Retirement Plans.

Administrative Details:

The course consists of four (4) separate units. There will be no final examination in this course. You will be required to complete a take home exercise at the end of each Unit of the course.

A text has not been assigned to the course, but there are additional readings in the Code, the Regulations and supplemental materials. You should spend the majority of your time understanding the Code Sections and how they relate to the topics at hand. The problems addressed in this course are ones you will surely encounter in an estate planning or estate administration practice. Most (if not all) of the Supplemental materials will be made available online at www.hbbllc.com. Just click on the Library area and go to our course name. You will also find the class slides there. Please arrange to have these materials with you in class.

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UNIT 1: Changes in the 2001 Tax Act, Alternate Valuation Election, Valuation Issues, Estate Tax Deferral and Section 303 Redemptions.

Topic 1: Changes in the 2001 Tax Act—IRC §§ 121(d)(9), 1014, 1022, 2001, 2010, 2011, 2057, 2058, 2501, 2502, 2505.

Topic 2: Alternate Valuation Election and Basis of Inherited Property—IRC §§ 2031, 2032, 1014, Reg. §§ 20.2032-1; *Estate of Mapes v. Commissioner*, 99 T.C. 511 (1992); Tax Analyst's Article on Treasury Regulation Section 20.2032-1.

Topic 3: Redemptions—IRC §§ 302, 303, 318; Reg. § 1.302-4, 1.303-1, 1.303-2, 1.318-3. Excerpts from BNA Portfolios 800 & 809.

Topic 4: Estate Tax Deferral—IRC §§ 6161, 6163, 6166; Reg. §§ 20.6161-1; 20.6166-1; Hypothetical Fact Pattern; Rev. Rul. 86-54. Excerpt from BNA Portfolio 809.

Topic 5: Disclaimers—IRC § 2518, Reg. §§ 25.2518-1, 25.2518-2, 25.2518-3. Excerpt from BNA Portfolio 848.

Topic 6: QTIP Elections—IRC §§ 2056(b)(5), 2056(b)(7), 2044, 2207A, Reg. §§ 20.2056(b)-7. Excerpt from BNA Portfolio 843.

Unit 2: Elections and Tax Planning Opportunities with Respect to Form 1041: Fiduciary Income Tax Return and Form 1040 Decedent's Final Individual Income Tax Return.

Topic 1 Expenses—IRC §§ 2053, 2054, 642(g)-(h), 213; Reg. §§ 20.2053-1, 2, 3, 4, 6, 8; 1.642(g)-1,2; 1.642(h)-1, 2, 3, 4, 5; Taxable Year & Election to Merge the Trust with the Estate—IRC §§ 441, 644, 645; Reg. §§ 1.645-1.

Topic 2 Income in Respect of a Decedent; Losses from Passive Activities; Joint Tax Returns; Savings Bonds & Selling Expenses—IRC §§ 691(a)-(c), 469(g), 469(i), 2053(a)-(b) ; Reg. §§ 1.691(a)-1, 2, 3; 1.691(b)-1; 1.691(c)-1; 20.2053-3(d)(2); 6013(a)(2)-(3); Rev. Rul. 68-145 & 79-409.

Topic 3 Distributions—IRC §§661, 662, 663, 643(a); Reg. §§ 1.661(a)-2, 1.661(b)-1, 1.661(c)-1, 1.662(a)-1, 1.662(a)-2, 1.662(a)-3, 1.662(a)-4.

Unit 3. Funding Issues in Estate Administration:

Read excerpt from Mastering the Fundamentals of Estate Planning and the excerpt from BNA Portfolio 843 "Funding Choices".