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Fall 2017

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Brooke Didier Starks  
Shareholder  
Meyer Capel Law Firm

### **Did you know? A will does not expire.**

Despite many clients' assumptions, a will does not "expire." An old will, even one written decades ago or before a birth, death or other family change, if validly executed, remains valid until properly revoked.

### **2018 Estate & Gift Limits**

- \$5,600,000 per person estate & gift tax exclusion (up from \$5,490,000 last

## **Estate Planning Update**

**It's That Time of Year Again...**

The time when the air cools, the fields bare, and the days get shorter but the year-end "to do" grows. In estate world, that means discussion of year-end gifts, which includes talk about valuations of the family business, gift limit thresholds and other "scintillating" tax talk. In this edition, we look at the withdraw of proposed regs that would have limited valuation discounts, the status of Trump's estate tax repeal efforts, and a little community service by my friends. Oh, and I make a shout-out solicitation for a few brave ladies to form a focus group to guide my next program...

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### **"First Nail in the Coffin of Estate Tax?"**

**Withdrawal of Regs Good News for Family Business Owners.**

**A push to to curb valuation discounts and increase taxes on the deaths of owners of family businesses has failed.**

In August 2016, the Treasury Department proposed changes to regulations governing Section 2704 of the Internal Revenue Code which would have effectively eliminated the ability to discount a minority business owner's interest in a business. The "Restrictions on Liquidation of an Interest for Estate, Gift, and Generation-Skipping Transfer Taxes," were met with much criticism from practitioners who argued that minority interests were, in fact, worth something less than a fraction of the whole. Earlier this month, Treasury announced that the approach is unworkable and the proposed regulations will be withdrawn.

At least one Forbes contributor has suggested that this is just the first in a line of tax moves that encourage wealth transfer and reduced estate tax liability. For now, clients can continue to make annual gifts utilizing the discounts to transfer wealth without fear of these proposed regulations muddying the process.

For more: [Forbes Article Overviewing Withdrawal of 2704 Regs](#)

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### **Status of Trump Estate Tax Repeal**

President Trump has a clear outcome in mind when it comes to estate taxes: a full repeal.

year)

- **\$4,000,000 IL estate tax exemption (same as last year)**
- **\$15,000 annual exclusion for gifts (up from \$14,000 where it has been since 2013)**

Republican leaders released a framework for tax reform on September 27, and with it shed a little more light on just what exactly is potentially being cut. The tax plan explicitly mentions that the federal estate tax, as well as the generation-skipping transfer tax, would be repealed. The framework did not, however, make any mention of what would become of the gift tax or the step-up in basis of inherited assets.

The House bill was set for release today, November 1, but reported 11th hour discussions and negotiations postponed the big reveal for one more day, cutting shorter the amount of time to take action before Congressional holiday. The Senate reports that it plans to advance ahead with its own bill, in hopes that the two parallel bills can be pursued timely.

For more information, see

<https://www.grantthornton.com/~media/content-page-files/tax/pdfs/TLUs/2017/TLU-2017-09-Unified-template-tax-reform.ashx>

<https://www.taxprotoday.com/articles/gop-braces-for-all-hell-to-break-loose-when-tax-reform-bill-finally-drops>

### Calling All Ladies...

I need to know what's on the minds of you ladies these days!

Looking for 10 women (all ages) for a focus group whose input will become the foundation for a future ladies' night on topics relevant to women today.

**Time commitment:** 1-2 hrs  
**Forum:** Skype or FB chat  
**Meeting times:** noon, 2 days in November  
**Contact:** reply to this email & place "Focus" in subject



## And What About Individual State Estate Taxes?

Are individual states' estate taxes, on *their* way out?

According to some experts in the field, yes. In addition to the federal estate tax assessed on estates over \$5.49M, some states levy a tax on the net value of the estate of a deceased person before distribution to the heirs.

For taxpayers, this interstate competition results in more and more of the population that pays little to no estate taxes.

As state actions create pressure on one another to keep up with the competition, our estates will only benefit. The big takeaway: although some states are, for now, staying put with their estate tax rates, the general trend is down, and we may someday see the death of the state death tax.

For the current state estate tax situation: [Map of State Estate Taxes](#)

## Dedicated to our Community

Meyer Capel's attorneys enjoy giving back to the communities where they work and live. Here we spotlight just a few of the current roles our attorneys occupy:

Anna M. Benjamin	President	<a href="#">Champaign County Humane Society</a>
Tristan N. Bullington	President	<a href="#">McLean County Recovery Court Advisory Board</a>
Jeffrey M. Davis	Councilman	<a href="#">Good Shepherd Lutheran Church</a>
Brooke A. Didier Starks	Committee Member	<a href="#">Women United, United Way</a>
John H. Elder	Board Member	<a href="#">Cross Trail Outfitters</a>

Keith E. Emmons	Board Member	<a href="#"><u>IL Bar Foundation</u></a>
	Board Member	<a href="#"><u>IL Equal Justice Foundation</u></a>
Rochelle A. Funderburg	President	<a href="#"><u>LWML St. John's Lutheran Church</u></a>
Randall H. Green	President	<a href="#"><u>Kiwanis C-U Little League</u></a>
	Finance Committee Member	<a href="#"><u>Family Service of Champaign County</u></a>
	Chairman	<a href="#"><u>United Way of Champaign</u></a>
Erika N.L. Harold	Board of Directors	<a href="#"><u>Prison Fellowship</u></a>
	Board of Regents	<a href="#"><u>Trinity International University</u></a>
Scott Kording	President	<a href="#"><u>Green Pastures Christian Retreat &amp; Campground</u></a>
	Chairman	<a href="#"><u>IL State University Attorneys Advisory Board</u></a>
Matthew D. Lee	Board Member	<a href="#"><u>Family Service of Champaign County</u></a>
Joseph D. Murphy	President	<a href="#"><u>Champaign Urbana Theatre Company Board</u></a>
Jenny H. Park	Board Member	<a href="#"><u>YMCA</u></a>
	Board Member	<a href="#"><u>Mahomet-Seymour School Board</u></a>
Alyx J. Parker	National Committee	<a href="#"><u>Order of the Arrow-Boy Scouts of America</u></a>
	Board of Directors	<a href="#"><u>Sigma Tau Gamma Fraternity</u></a>

Meyer Capel | (217) 352-1800 | [bstarks@meyercafel.com](mailto:bstarks@meyercafel.com) | <http://www.meyercafel.com>  
306 West Church Street  
Champaign, IL 61820