

TAX ALERT

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Proposed Regulations Might Affect Your Estate Plan

Last spring, the IRS and U.S. Treasury announced upcoming changes to how equity is valued in family-owned entities, such as closely-held corporations, partnerships or LLCs. On August 4, the IRS formally published those proposed rules.

Who Do the Regulations Impact?

The proposed regulations affect the treatment of the lapse of certain rights and the treatment of certain restrictions in valuations. If finalized, these regulations will significantly affect the rules for valuing intra-family transfers for various entities for estate, gift and Generation Skipping Transfer (GST) tax purposes.

When Will This Take Effect?

The formal 90-day comment period has only just begun. Consequently, the earliest these proposed regulations could take effect would be sometime in early 2017, and they would not be retroactive.

What Do I Need to Do?

We suggest contacting your advisor at your earliest convenience to touch base so that your gift and estate plans can be reviewed as soon as possible. Consideration should be given to making transfers of family-owned interests before the end of this year.

For more information, see the [IRS Proposed Rule](#).