RACHEL VOTTO

PARTNER

	201-345-2147
	rvotto@bdgcpa.com
	LinkedIn Profile

Rachel Votto joined BDG-CPAs in 1999 and was admitted as a partner in 2008. Starting in 2003, she has concentrated mostly in the tax area and was promoted to partner-in-charge of BDG-CPAs tax services in 2012. She will be head of all operations in 2022.

Rachel serves many corporate and partnership clients including closely held businesses to multinational corporations with experience on acquisitions, reorganizations, international, multistate structures and complex tax planning strategies to assist clients in maximizing tax savings. She also provides comprehensive financial planning to executives and high net worth individuals, including trusts and estates.

Rachel is a member and past President of the prestigious Estate Planning Council of Bergen County. She is also a board member of the prominent National Association of Estate Planners & Councils. She has made various presentations in New York and South Carolina on new tax legislation and other tax topics. Rachel has strong technical and analytical skills and keeps current on tax issues and developments.

She is a graduate of Villanova University and also holds a masters degree in taxation. She enjoys being active and spending time with family and friends, and her place at the beach, loving the ocean, as she grew up in Southern California.

Corpus Christi Estate Planning Council

November 18, 2021

Estate and Tax Planning as we Approach Year End and Possible Tax Law Changes

1. NAEPC Benefits
2. Current Environment – Where are we now
   a. Government debt risks
   b. Ways to mitigate this – raise taxes? Current proposals
   c. Corporate tax rate proposal increase
   d. TCJA individual provisions expire 12/31/25
   e. Estate tax change – TCJA – 12/31/25
3. Review of the recent tax law changes that impact 2021
   1. SECURE Act
   2. CARES Act
   3. CAA Act
   4. ARP Act
4. Review of Current Tax Proposals
   1. Sanders Act for the 99.5%
   2. Van Hollen / Deemed Realization
   3. Biden's Tax Changes – House Ways and Means Committee released draft – Sept 2021
5. Estate Tax Planning before the end of the year
   1. Utilization of the additional exemption from TCJA – "Use it or Lose it"
   2. SLATS
   3. Dynasty Trusts
   4. Charitable Intent? - CRT
   5. Use of Disclaimers
6. Income Tax Planning
   1. Charitable giving – DAFs
   2. Roth IRA Conversions
   3. SALT deductions – deferment to 2022
   4. Accelerate income – utilization of lower tax rates

Tax Planning and Implications of the recent law changes: SECURE Act, CARES Act, CAA Act, ARP Act And Where are we Going?

Quad City Estate Planning Council

National Association of Estate Planners & Councils (NAEPC)

- Value Partners (flagship *Trusts & Estates* $149 subscription) - Discounts available, no additional work by board to supply members other than promoting them
- Webinars at value pricing – June 9th Webinar - **Tax-Smart Charitable Giving, Especially with Retirement Assets**
- Reduced pricing to attend annual conference, obtain CE, build national network of professionals
- Annual (Virtual) Conference - November 2nd to 4th - Registration to open in June;
- *NAEPC Journal of Estate & Tax Planning* - ability for council members to opt in
- Monthly Leimberg Newsletter on national website
- AEP Designation - https://www.naepc.org/designations/estate-planners

Coronavirus Aid Relief and Economic Security (CARES) Act

- Enacted March 27, 2020
- $2.2 Trillion Stimulus Package
- Recovery Rebate
- PPP Loan
- Business Tax Relief
- Individual Relief

Consolidated Appropriations Act of 2021

- Enacted December 27, 2020
- $900 Billion Stimulus Package
- Recovery Rebate
- PPP Loan – 2nd Draw and Clarity of 1st Round
- Business Tax Relief
- Individual Relief

America Rescue Plan Act of 2021

- Enacted March 11, 2021
- $1.9 Billion Stimulus Package
- Recovery Rebate -$1400 most adults and their children
- Aid for Schools, state and local governments
- Extension and modification of payroll tax credits
- Individual Relief
- Tax Treatment of COVID-19 Relief

SECURE Act 2.0 – Securing a Strong Retirement Act

- Proposed bill is an extension of the SECURE ACT
- Automatic enrollment in retirement plans
- Indexing IRA catch-up limit
- Higher catch-up limits to apply ages 62 - 64
- Increase in age for RMDs
- Individuals with domestic abuse – penalty waived
- SIMPLE and SEP Roth IRAs

The American Families Plan Tax Compliance Agenda

- Biden Proposal to overhaul tax administration – with nearly $80 Billion in funding
- Tax gap of $600 Billion in 2019
- Taxpayers fail to file in a timely manner
- Underreport income or overclaim deductions
- Underpay taxes despite filing a timely return
- Increase resources, information reporting of financial information, overhaul technology and increased penalties for tax preparers with intentional negligence

Paycheck Protection Program (PPP) Overview

- To help cover the costs of payroll, rent and utilities
- Allows for 100% forgiveness
- Loan is administered through the U.S. Small Business Administration (SBA) but processed directly through your lender
- Approximately 11 Million loans processed, almost $525 Billion in funding.
- **Deductibility of expenses:** Finally, clarity regarding this issue. The latest bill will made it clear that **businesses will be allowed to deduct the costs covered by those loans.**

Paycheck Protection Program (PPP) Round 2

- Available to first-time qualified borrowers (who did not receive a loan the first time around)
- Businesses that previously received a PPP loan for up to $2 million, provided they have 1) 300 or fewer employees, 2) have used or will use the full amount of their first PPP loan and 3) can show a 25% gross revenue decline in any 2020 quarter compared with the same quarter in 2019.

Employee Retention Credit

- Employers are eligible for the credit if they operate a trade or business during calendar year 2020 and experience either:

1. the full or partial suspension of the operation of their trade or business during any calendar quarter because of governmental orders limiting commerce, travel, or group meetings due to COVID-19, or
2. a significant decline in gross receipts.

- A significant decline in gross receipts begins:

  on the first day of the first calendar quarter of 2020 for which an employer's gross receipts are less than **50%** of its gross receipts for the same calendar quarter in 2019.

- The significant decline in gross receipts ends:

  on the first day of the first calendar quarter following the calendar quarter in which gross receipts are more than of 80% of its gross receipts for the same calendar quarter in 2019.

The maximum amount of qualified wages taken into account with respect to each employee is $10,000, $5,000 credit an employee, a year.

- For 2021 – this is increased to $7,000 in wages a quarter – extended thru the end of the year

Recovery Rebates for Individuals – Sec. 2201 – Economic Income Payments

- $1,200 advance credit per person;
- $500 per qualifying child
- $75,000 AGI ($150,000 MFJ, $112,500 HOH)
- Reduced by $5 for each $100 that a taxpayer's income exceeds the phaseout threshold.
- Taxpayer can still qualify for 2020 tax year.
- Changes depending on dependent children
- Review MFS for benefit of the credit in 2020

Recovery Rebates for Individuals – Sec. 2201 – Economic Income Payments Round 2

- $600 advance credit per person; including qualifying child
- $75,000 AGI ($150,000 MFJ, $112,500 HOH)
- Reduced by $5 for each $100 that a taxpayer's income exceeds the phaseout threshold.
- Taxpayer can still qualify for 2020 tax year.
- Changes depending on dependent children
- Review MFS for benefit of the credit in 2020

Special Rules For Use of Retirement Funds – Sec. 2202

- $100,000 “coronavirus-related distribution” exemption from § 72(t)
- A qualified person:
  - diagnosed with COVID-19,
  - whose spouse is diagnosed with COVID-19,
  - who experiences adverse financial consequences as a result being quarantined, furloughed, or laid off or having work hours reduced, being unable to work due to lack of child care, closing or reducing hours of a business owned or operated or other factors determined by the Secretary

Eligible retirement plans include individual retirement accounts or annuities (IRAs), qualified employer-sponsored retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, and 457(b) plans.

Special Rules For Use of Retirement Funds – Sec. 2202

Additional Guidance – Notice 2020-50

- The individual, and the individual's spouse or a member of the individual's household being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of childcare due to COVID-19, having a reduction in pay (or self-employment income) due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19; or
- closing or reducing hours of a business owned or operated by the individual and individual's spouse or a member of the individual's household due to COVID-19.
- The following amounts are not coronavirus-related distributions:
  - corrective distributions of elective deferrals and employee contributions that are returned to the employee,
  - excess elective deferrals under §402(g),
  - excess contributions under §401(k),
  - and excess aggregate contributions under §401(m);
  - loans that are treated as deemed distributions pursuant to §72(p);
  - dividends paid on applicable employer securities under §404(k);
  - the costs of current life insurance protection;
  - prohibited allocations that are treated as deemed distributions pursuant to §409(p);
  - distributions that are permissible withdrawals from an eligible automatic contribution within §414(w);
  - and distributions of premiums for accident or health insurance under §1.402(a)-1(e)(1)(i).

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions

- Distributions must take place in 2020
- 10% Excise tax on early distributions is waived
- Income from the distribution recognized ratably over a three year period (2020, 2021 and 2022)
- Elect out of 3 year period, include <u>all</u> in 2020
- Amount distributed can be repaid over a three year period
- 20% withholding requirement is not applicable

Special Rules For Use of Retirement Funds – Consolidated Appropriations Act of 2021

Qualified Disaster Distributions

- Similar to the CARES Act; Up to $100,000 distribution
- 10% Excise tax on early distributions is waived
- Income from the distribution recognized ratably over a three year period
- Elect out of 3 year period, include <u>all</u> in distribution year
- Amount distributed can be repaid over a three year period
- 20% withholding requirement is not applicable

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- New Form 8915 – E – will be filed with the individual's income tax return
- Any repayment by the filing of the tax return is not reported as income for distribution year

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 1*. Taxpayer B receives a $45,000 distribution from a §403(b) plan on November 1, 2020. Taxpayer B is a qualified individual and treats the distribution as a coronavirus-related distribution. Taxpayer B receives no other coronavirus-related distribution from any eligible retirement plan. Taxpayer B recontributes $45,000 to an IRA on March 31, 2021. Taxpayer B reports the recontribution on Form 8915-E and files the 2020 federal income tax return on April 10, 2021. For Taxpayer B, no portion of the coronavirus-related distribution is includible as income for the 2020 tax year.

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 2*. The facts are the same as in *Example 1* of this section 4.D, except that Taxpayer B timely requests an extension of time to file the 2020 federal income tax return and makes a recontribution on August 2, 2021, before filing the 2020 federal income tax return. Taxpayer B files the 2020 federal income tax return on August 10, 2021. As in *Example 1*, no portion of the coronavirus-related distribution is includible in income for the 2020 tax year because Taxpayer B made the recontribution before the timely filing of the 2020 federal income tax return.

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 3*. Taxpayer C receives a $15,000 distribution from a governmental §457(b) plan on March 30, 2020. Taxpayer C is a qualified individual and treats the distribution as a coronavirus-related distribution. Taxpayer C elects out of the 3-year ratable income inclusion on Form 8915-E and includes the entire $15,000 in gross income for the 2020 taxable year. On December 31, 2022, Taxpayer C recontributes $15,000 to the §457(b) plan. Taxpayer C will need to file an amended federal income tax return for the 2020 tax year to report the amount of the recontribution and reduce the gross income by $15,000 with respect to the coronavirus-related distribution included on the 2020 original federal income tax return.

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 4*. Taxpayer D receives $75,000 from a section 401(k) plan on December 1, 2020. Taxpayer D is a qualified individual and treats the $75,000 distribution as a coronavirus-related distribution. Taxpayer D uses the 3-year ratable income inclusion method for the distribution. Taxpayer D makes one recontribution of $25,000 to the section 401(k) plan on April 10, 2022. Taxpayer D files the 2021 federal income tax return on April 15, 2022. Without the recontribution, Taxpayer D should include $25,000 in income with respect to the coronavirus-related distribution on each of D's 2020, 2021, and 2022 federal income tax returns. However, as a result of the recontribution to the section 401(k) plan, Taxpayer D should include $25,000 in income with respect to the coronavirus-related distribution on the 2020 federal income tax return, $0 in income with respect to the coronavirus-related distribution on the 2021 federal income tax return, and $25,000 in income with respect to the coronavirus-related distribution on the 2022 federal income tax return.

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 5*. The facts are the same as in *Example 4*, except that Taxpayer D recontributes $25,000 to the section 401(k) plan on August 10, 2022. Taxpayer D files the 2021 federal income tax return on April 15, 2022, and does not request an extension of time to file that federal income tax return. As a result of the recontribution to the section 401(k) plan, Taxpayer D should include $25,000 in income with respect to the coronavirus-related distribution on the 2020 federal income tax return, $25,000 in income with respect to the coronavirus-related distribution on the 2021 federal income tax return, and $0 in income with respect to the coronavirus-related distribution on the 2022 federal income tax return.

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Distributions – Tax Treatment

- *Example 6. Example*. Taxpayer E receives a distribution of $90,000 from his or her IRA on November 15, 2020. Taxpayer E is a qualified individual and treats the distribution as a coronavirus-related distribution. Taxpayer E ratably includes the $90,000 distribution in income over a 3-year period. Without any recontribution, Taxpayer E will include $30,000 in income with respect to the coronavirus-related distribution on each of the 2020, 2021, and 2022 federal income tax returns. Taxpayer E includes $30,000 in income with respect to the coronavirus-related distribution on the 2020 federal income tax return. Taxpayer E then recontributes $40,000 to an IRA on November 10, 2021 (and makes no other recontribution in the 3-year period). Taxpayer E is permitted to do either of the following:
- Option 1. Taxpayer E includes $0 in income with respect to the coronavirus-related distribution on the 2021 federal income tax return. Taxpayer E carries forward the excess recontribution of $10,000 to 2022 and includes $20,000 in income with respect to the coronavirus-related distribution on E's 2022 federal income tax return.
- Option 2. Taxpayer E includes $0 in income with respect to the coronavirus-related distribution on the 2021 tax return and $30,000 in income on the 2022 federal income tax return. Taxpayer E also files an amended federal income tax return for 2020 to reduce the amount included in income as a result of the coronavirus-related distribution to $20,000 (that is, the $30,000 original amount includible in income for 2020 minus the remaining $10,000 recontribution that is not offset on either the 2021 or 2022 federal tax return).

Special Rules For Use of Retirement Funds – Sec. 2202

Retirement Plan Loans

- Limit increased from $50,000 to $100,000
- Limit increased to 100% of the present value from 50%
- Outstanding loan repayment delayed due between enactment of the CARES Act and before December 31, 2020 and year-end delayed one year
- Provisions extended under the new law

Temporary Waiver of Required Minimum Distributions (RMDs) – Sec. 2203

- RMDs are not required in 2020
- RMDs account owners over 70 ½ and 72 (SECURE Act)
- Includes inherited IRAs
- Taxpayers subject to the 5-year rule (non-designated beneficiaries) can "skip" 2020, adds a year
- Repayment of ALL RMDs by August 31, 2020; can't reverse withholding
- Defined benefit plans (such as pensions) are excluded

Temporary Waiver of Required Minimum Distributions (RMDs) – Sec. 2203

- Since RMDs are not required, income in 2020 to be lower, opportunity to take advantage of a Roth IRA conversion.
- SECURE Act eliminates the "stretch IRA"
- New concern for clients with substantial retirement accounts
- All inherited IRAs starting January 1, 2020, you can no longer stretch your distributions
- For non-spousal inherited IRAs – must be distributed within 10 years
- Exceptions – minor child, less than 10 years younger than original owner and disabled/chronically ill
- Market volatility - beware - no longer can reverse the conversion

Modifications for NOLs – Sec. 2303

Tax Year	CARES Act	Previous Law - TCJA eliminated carryback
2016 2017	3-year carryback Indefinite carryforward No 80% cap	3-year carryback 20-year carryforward
2018 2019 2020	5-year carryback Indefinite carryforward No 80% cap	No carryback allowed Indefinite carryforward of current losses Capped at 80% of taxable income
2021	No carryback 20-year carryforward for NOLs before 1/1/18 PLUS the lessor of 1) All NOLs after 12/31/17, OR 2) 80% of taxable income	No carryback allowed Indefinite carryforward of current losses Capped at 80% of taxable income

Modifications for NOLs – Sec. 2303 Rev. Proc. 2020-24

- Any NOL arising in a tax year after December 31, 2017 and before January 1, 2021, may be carried back 5 years unless the carryback period is waived.
- Section 172(b)(3) permits a taxpayer entitled to a carryback period under §172(b)(1) to make an irrevocable election to relinquish the carryback period for an NOL for any taxable year.
- Applications under §6411(a) with respect to such NOLs are treated as timely filed if filed no later than 120 days after March 27, 2020. Additionally, elections to forgo or reduce the carryback of such NOLs, or elections to revoke any such prior elections, shall be treated as timely made if made no later than 120 days after March 27, 2020. (July 25, 2020)
- A taxpayer must make an election described by attaching to its Federal income tax return filed for the first taxable year ending after March 27, 2020, a separate statement for each of taxable years 2018 or 2019 for which the taxpayer intends to make the election. The election statement must state that the taxpayer is electing to apply §172(b)(3) under Rev. Proc. 2020-24 and the taxable year for which the statement applies. Once made, the election is irrevocable.

Modifications for NOLs – Sec. 2303 Rev. Proc. 2020-24

- Starting on April 17, 2020 and until further notice, the IRS will accept eligible refund claims Form 1139 submitted via fax to 844-249-6236 and eligible refund claims Form 1045 submitted via fax to 844-249-6237. **Important note: These numbers are not for general use; taxpayers should not use these for anything besides Forms 1139 or 1045 (and accompanying materials). Other submissions will not be processed.**
- Do not attempt to fax an amended return at the time of faxing Form 1139/1045. Amended returns will not be acted upon when faxed with Form 1139/1045 through the temporary procedures. **(updated April 30, 2020)**
- **You can now electronically file an amended tax return with the IRS**

Limitation on Section 461(l) Excess Business Losses – Sec. 2304

Pre-CARES Act

- Excess business losses denied – basically pass-through business tax losses greater than $500,000
- Applies to 2018-2025
- Excess business losses treated as a NOL in the following taxable year

CARES Act

- Shifted the applicable date to 2021-2025
- Removes the limitation for farmers under Sec. 461(j) from 2018-2025
- Excludes losses from the sale or exchange of capital assets
- Taxpayers who sustained excess business losses in 2018, should amend their 2018 returns

Modifications to Business Interest Expense Limits – Sec 2306

Limitation on the deduction for interest paid relief

● 50% substituted for 30%

● Relief in the 50% limitation only applies to the 2020 tax year

● Special elections for 2020 to use it's 2019 Adjusted Taxable Income in calculating the interest limitation

● Reminder this limitation only applies if revenue exceeds $25,000,000 or if a tax shelter

Qualified Improvement Property (QIP) Retroactive Fix – Sec. 2307

● Fixes drafting error related to Qualified Improvement Property and make QIP eligible for increased bonus depreciation amounts included in TCJA, now 15-year property.

● Fix is back dated to apply to tax years beginning after December 31, 2017.

● Rev. Proc. 2020-25 also permits taxpayers to make late elections to change their depreciation of qualified improvement property placed in service after December 31, 2017, in the taxpayers' 2018, 2019, or 2020 taxable year

Change in Business Meals Deduction Consolidated Appropriations Act of 2021

- One of the smallest provisions is also one of the most divisive: the return of the 100% deduction of the so-called three-martini lunch — that is, an increased tax break for business lunches, which are currently at 50%. This applies to restaurant and takeout meals paid for in 2021 and 2022, and is not retroactive

Current Environment…Where are we now?

- Record government debt risks
- Highest deficit in decades

How to mitigate this?

- Tax increases? Spending Cuts?
- Corporate tax rate – possible increase from 21% (28% - Biden Proposal) Possible business tax credit of 10% on new jobs
- Capital Gains – proposal to increase to ordinary rates on capital gains over $1 million
- Most TCJA individual provisions expire 12/31/25
- Estate Tax change TCJA - scheduled to expire 12/31/25

Estate Tax

- Increased exemption only though 2025
- Biden term 2020 to 2024
- Rate might decrease below 2012 amounts
- Planning to use the large exemption ***now*** – ***while you can***

Biden Tax Proposals

	CURRENT LAW	BIDEN PROPOSAL
INCOME TAX RATES	7 brackets: 10% to 37%	6 brackets: eliminates 35% and 37% brackets and imposes 39.6% rate on income > $400K
LONG TERM CAPITAL GAINS	0% / 15% / 20% plus 3.8% net investment income tax (NIIT)	0% / 15% / 20% / 39.6% on taxpayers with income > $1 mil – taxed at ordinary tax rates; plus 3.8% NIIT
Qualified Dividend Rates	0% /15% / 20% plus 3.8% NIIT	0% / 15% / 20% / 39.6% on taxpayers with income > $1 mil; plus 3.8% NIIT
Itemized Deductions	No limitations (PEASE); SALT limitation of $10k	Restore the PEASE limitation; eliminate the SALT limitation

Biden Tax Proposals

	CURRENT LAW	BIDEN PROPOSAL
Estate, Gift and Generations Skipping Taxes	40% top rate. $11.58M exemption (2020), will sunset and revert to 2012 levels (indexed for inflation) on January 1, 2026	Elimination of step-up in basis at death. The first $1 Million would be exempt to capital gains.
1031 Exchange	Allowed – no limitations	Not allowed on gains greater than $500k
Individuals earning less than $400k a year		Will not see higher taxes
Social Security payroll tax	FICA limit $142,800	Additional 12.4% between EEs and ERs greater than $400k
Qualified business income (QBI)	Phase out only on Specified Service Business	Phase out QBI deductions

Estate and Gift Tax "Use it or Lose it"

- Final Regs – NO clawback – if the exemption is used and the exemption decreases
- OLD exemption - $5,790,000 – this amount is used first
- 2018 Exemption increase - $5,790,000 – LOST if not used before the law changes

$2.3 M Benefit

Estate Tax Planning

- Suppressed assets values if business is down in 2020 due to the impact of Covid
- Valuation discounts
- Donating Capital Gain Property
- Loss Harvesting
- Planning for No Step-Up in Basis
- Low interest rates – for purposes of
  - family loans, note sales, GRATs

- Best planning done as a TEAM!

Sanders Act for the 99.5%

- Reduces exemptions and increases rates
- Estate tax exemption at $3.5 M taxed at 39% and gifts that are over $1 M.
- No discounts on FLP
- GRATs – 10 years at least, 25% of value of assets at the remainder
- Grantor trusts includible in the Estate (grandfathering trusts before date of enactment)
- GST exemption term will only be for 50 years
- Limitation of gifts to trusts - $30,000/$60,000 a couple
- Changes are not retroactive

Deemed Realization/Van Hollen

- Lose step-up in basis – Realization of capital gains
- Sec. 1261 gifts and transfers on death would be deemed triggering events and all gain would be taxed (exceptions – spouse, trusts for spouse, charities)
- $1 M of gain will be excluded
- Change is retroactive to January 1, 2021 (likelihood of this getting passed “unlikely”)

Estate Tax Planning

- Dynasty Trusts – designed to provide assets free of transfer taxes to two or more generations below the grantor
- Spousal Lifetime Access Trust (SLAT) – permits each spouse to transfer assets of the couple’s estate and allows the non-transferor spouse to be a lifetime beneficiary of the trust
- Charitable intent? – Charitable Remainder Trusts
- Use of Disclaimers – effectiveness for income tax purposes is uncertain/should work for transfer tax

Estate Planning - Charitable Remainder Trusts

- Transfer of highly appreciated assets to a trust
- Annual payments (or more frequently) for life (or a term of years)
- At the time of transfer – calculation is completed for the present value of the remainder interest for a tax deduction
- At the donor’s death (or end of the term), charity receives the residual assets from trust
- Charitable Remainder Annuity Trust (CRAT)
- Charitable Remainder Unitrust (CRUT)

ROTH IRA CONVERSIONS

- SECURE – elimination of the stretch IRA
- CARES – no RMD for 2020 tax year
- Potentially lower business income or loss due to economic environment
- Offset in increased charitable contribution deduction
- Payment of tax – reduces estate
- Possible increase in tax rates in the future

Charitable Donations

- Important to make timely deductions – not necessarily to accelerate – increased standard deduction
- Possible reduction in overall impact of deductions in the future depending on tax law changes
- Donor Advised Funds - DAF
- Contribution of appreciated assets
- Qualified Charitable Distributions from IRAs
- CARES – allows for 100% AGI limitation for cash donations – does not include DAF

Additional guidance continues which will help to obtain clarity on certain questions

NAEPC
NATIONAL ASSOCIATION OF ESTATE PLANNERS & COUNCILS
COLLABORATE · EDUCATE · CULTIVATE

Please reach out if additional assistance is needed

Rachel Votto, CPA, AEP
rvotto@bdgcpa.com
201-652-4040

Thank you!