

Recent Developments: All The News That's Fit To Print

Northern California Planned Giving Council – January
10, 2013

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Legislation

- American Taxpayer Relief Act of 2012
- 3.8% Medicare Surtax
- California Proposition 30

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ATRA 2012

- Estate and Gift Tax
 - \$5m exemption (indexed)
 - 40% rate
 - Portability

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ATRA 2012

- Income Tax Rates
 - New 39.6% rate
 - Income over \$400,000/\$450,000

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ATRA 2012

- Capital Gains
 - New 20% rate
 - Over \$400,000/\$450,000
- Qualified dividends continue at capital gains rates.

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ATRA 2012

- AMT
 - “Relief”

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ATRA 2012

- Pease limits on deductions
 - Deductions reduced by 3% of AGI over
 - threshold \$250,000/\$300,000
- Personal Exemption Phase-out
 - Exemptions reduced by 2% for each
 - \$2,500 of AGI over threshold
 - \$250,000/\$300,000

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3.8% Medicare Surtax

- On the lesser of:
 - net investment income
 - or
 - AGI over \$200,000/\$250,000

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California Prop 30

- New income tax brackets
 - 10.3% over \$250,000
 - 11.3% over \$300,000
 - 12.3% over \$500,000
 - 13.3% over \$1m
- Retroactive to 2012

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What Does This All Mean?

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IRA Rollover

- Extended for 2012 & 2013
- Same General Rules
- New Special Rules
 - January 2013 rollover “shall” be deemed
 - made 12/31/12
 - December 2012 distribution transferred to
 - charity in January 2013

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California Conformity

- CRTs with UBI
- AB 2687

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IRS / Treasury

- Gifts to Single Member LLCs
 - Notice 2012-52
- Increasing Payment CLAT
 - PLR 201216045
- Disclosure of CRT Information

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Courts

- Appraisal Requirements
- Gifts of Closely-Held Stock to a Private Foundation

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Ethics Opinion

- Nevada State Bar Formal Opinion 47

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