



LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC’s Guide to Practical Estate Planning

Thirtieth Edition (March 2023)

Highlights of this Edition

The following are some of the important new features of the 2023 Edition of *PPC’s Guide to Practical Estate Planning*:

- **SECURE ACT.** The two SECURE Acts and related regulations have changed the rules for retirement planning. The following have been added or updated for this recent guidance:
 - Clarified the discussion on the timing of distribution to 10-year beneficiaries and the penalty relief provided by IRS Notice 2022-53.
 - Added SECURE 2.0 Act provision requiring cost of living adjustments to the \$100,000 qualified charitable distribution.
 - Updated for the SECURE 2.0 Act changes to the required beginning date (RBB) for required minimum distributions (RMD)s, as well as changes for Roth 401(k), spousal elections for retirement plans, longevity annuities, and reduced excise tax penalty.
 - Added a discussion of the SECURE 2.0 provision allowing a one-time election to make a \$50,000 qualified charitable distribution (QCD) to certain split-interest entities, including practical issues for making a QCD to a charitable remainder trust.
 - Provided an explanation of the Secure 2.0 Act provisions about certain qualified conservation easements made bypass-through entities.
 - Revised the client letter discussing key points of the SECURE 2.0 Act.
 - Updated the worksheet for calculating the required minimum distribution.

In addition to these featured items, your *Guide* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 2 Overview of Federal Estate, Generation- skipping Transfer, and Gift Taxes	1. Clarified the discussion of the basic exclusion amount used to offset lifetime and testamentary transfers.	201
	2. Expanded the discussion of which states impose an inheritance tax and which beneficiaries are subject to the tax.	201

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 3 Lifetime Giving Strategies	1. Added a short discussion about ways to use disclaimers for assets transferred during a donor's lifetime.	304
	2. Updated the discussion for Rev. Proc. 2022-32 (superseding Rev. Proc. 2017-34) to allow an extended time of five years to elect portability without requesting a private letter ruling. Previously this was two years.	308
CHAPTER 5 Wealth Transfer Planning without Trusts	1. Added a Planning Tip to consider filing a Form 709 to disclose the non-gift portion of intrafamily installment sales to start the statute of limitations.	502
	2. Added a Caution that having signature authority on a bank account is not the same as joint ownership and this authority expires at the account holder's death.	504
	3. Added a Planning Tip that annual exclusion gifts of partnership interests may be costly because of the annual appraisals needs and the filing requirements to ensure the GST tax exclusion is properly recorded and the gift tax statute of limitation starts.	507
CHAPTER 7 Charitable Transfers	1. Added Planning Tips on calculating values using both the current actuarial table amounts and the ones in the proposed regulations to determine which will benefit the client more (based on client goals).	705
	2. Clarified the discussion on the gift of farm raised commodities to a charitable remainder trust, including the <i>Furrar</i> case.	704
CHAPTER 8 Valuation Issues	1. Added two Cautions to remind planners that when an asset qualifies for a valuation discount, it is not optional.	800, 803
	2. Added an additional example further illustrating how an asset is valued if it were held in an LLC rather than personally.	801
	3. Added a Caution that donated cryptocurrency more than \$5,000 must have a qualified appraisal to qualify for an income tax deduction.	801
	4. Clarified that an appraisal would not be needed if the asset was sold (in an arm's length transaction) within a reasonable time after the date of death as the sale price establishes the FMV.	801
	5. Added an example to clarify that the value of a fractional interest is not the same as a fraction of the whole.	802
CHAPTER 9 Generation-Skipping Transfers	1. Added an example that illustrates the deemed allocation of the GST tax exemption at a decedent's death.	904
CHAPTER 10 Life Insurance and Liquidity	1. Discussed the recent Tax Court victory for the taxpayer in the <i>Levine</i> inter-generational split-dollar arrangement and the elements that distinguish it from other cases with less favorable outcomes.	1010
CHAPTER 11 Retirement Plan Distributions	1. Observed that nonqualified stock options rarely have a readily ascertainable FMV.	1103
	2. Expanded the discussion of the advantages of converting to a Roth IRA.	1110

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
	3. Clarified the discussion of rollovers of inherited IRAs and qualified plan accounts by nonspouse beneficiaries	1112
CHAPTER 12 Marital Transfers	1. Updated the discussion for Rev. Proc. 2022-32 (superseding Rev. Proc. 2017-34) to allow an extended time of five years to elect portability without needing to request a private letter ruling. Previously this was two years.	1202
	2. Added an Observation that an <i>inter vivos</i> QTIP trust can have advantages over the creation and use of a Spousal Lifetime Access Trust (SLAT).	1216
	3. Expanded the discussion on disadvantages to using a QTIP trust election due to increased costs and complexity, along with the surviving spouse failing to fund the QTIP trust.	1206
	4. Expanded the advantages of using a Spousal Lifetime Non-Grantor Trust (SLANT) to include the ability as a separate taxpayer, if otherwise qualified, to exclude the gain on qualified small business stock.	1216
CHAPTER 13 Elder Care Planning	1. The Inflation Reduction Act of 2022 made changes to the Medicare Part D drug plans. A law change alert was added to explain four changes to the Part D drug plans and the various effective dates.	1303
CHAPTER 15 Postmortem Estate Planning	1. Expanded the discussion on the state transfer tax obligations that should be addressed.	1502
	2. Proposed regs provide additional restrictions on how a <i>Graegin</i> Loan is structured for the interest to be a deduction for the estate. Expenses that will be paid more than three years after death will need to be deducted at their present value.	1504, 1509
CHAPTER 16 Reviewing Wills, Trusts, and Other Documents	1. Discussed the attribution that may result when the same person serves as both attorney-in-fact and trustee.	1603
	2. Cautioned that the Joint Chiefs of Global Tax Enforcement (J%) has issued a document identifying red flags that may indicate fraudulent transactions with non-fungible tokens.	1605