

US Transfer Taxation 2010 and Beyond



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I. Income Tax

1. US Citizens/Residents

- Worldwide Income
- Information Filing

2. Non US Persons

- Taxable on US Income
- Exemptions



II. Transfer Tax

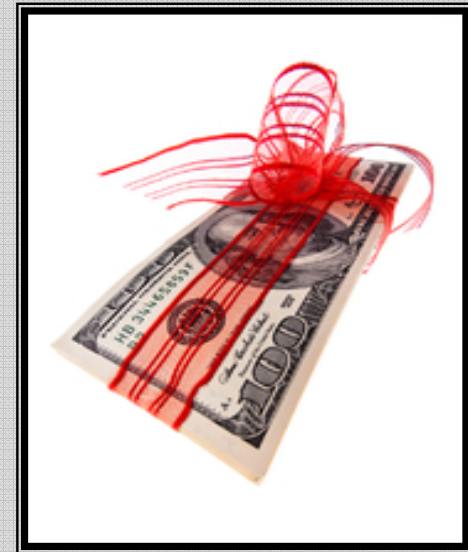
A. Gift Tax

1. US Persons (all assets)

- \$1M lifetime exemption
- \$13K annual exemption
- Education, medical
- Marital deduction

2. Foreign Persons (US Assets)

- No lifetime exemption
- \$13K annual exemption
- Marital deduction (\$100K)
- Reporting if US recipient
(large gifts)



II. Transfer Tax

B. Estate Tax

1. US Persons

- Worldwide Assets

2. Foreign Persons

- US Assets



III. Estate Tax Exemptions

A. Current Law

- 2009 - \$3,500,000 exemption
- 2010 - no estate tax
- 2011 - \$600,000 exemption

B. Proposed Law

- 2009 - \$3,500,000
- 2010 - \$3,500,000
- 2011 - \$3,500,000

C. Exemption for Non US Persons

- \$12,000

D. Other Proposals

- lower top rate from 45% to 30%
- \$5,000,000 exemption
- portability of marital deduction



IV. Conclusion

- Estate tax lives
- No changes for Non-US Persons

