

Ten Tax Troubles

TTN Webinar June 17, 2021

Steven H. Hagen, Esq.
Harper Meyer LLP
shagen@harpermeyer.com
1-305-577-3443

1. BidenProposals

A. Capital Gains Tax

- (i) Currently highest rate 20%
- (ii) Proposal 39.6% if total income > \$1M

 - b. tax on capital gain if \$1,000,000 = \$396,000
 - c. this results in a tax on \$196,000 on last \$1 of profit

- B. FIRPTA withholding certificate (maximum rate)
- C. Estate Tax

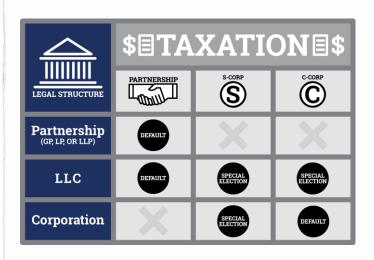
No "step-up" to fair market value at death (except for first \$1M) or capital gain recognition.

- (i) allocation?
- (ii) tax return?
- D. Corporate rate now 21% proposed 28%. This could be better than individual rate.



2. Corporate Elections for LLC

- A. Election easy to do
- B. Is it ultra vires?



3. Bank Account in Individual Name

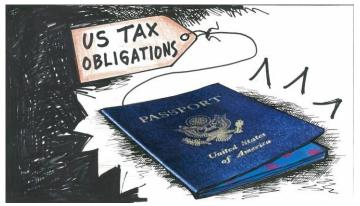
- A. No estate tax but watch out for money market funds or cash reserves in brokerage account
- B. Bank may freeze account



4. Expatriation Tax Applies to

A. U.S. citizens

B. Long-Term Resident is 8 years or really 6+ years?



5. Joint Ownership

- A. A + B
- B. A + B, jointly with right of survivorship (tracing)

6. *Joint* Ownership

A. Cannabis

B. Ransomware

Net Operating Losses v. Capitalization



8. "My Children"

- a. Virtual adoption
- b. Adoption by next spouse



9.

Wealthy U.S. Citizen dies with non-citizen spouse



10. U.S. residency – Stuck in New York for Coronavirus Lockdown

- A. U.S. rules
- B. State tax rules

