

ACTEC
2010
FALL MEETING

**Anticipating the Audit Letter: Planning and
Defending Against IRS Attacks on Entity Planning**

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Moderator:
T. Randall Grove
Speakers:
Patrick J. Green
Stephanie Loomis-Price

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I. INTRODUCTION

A. BEGIN WITH THE END IN MIND¹ (AND A BRIEF DISCLAIMER!)

This presentation will focus on the practical planning aspects of partnership and limited liability (“entity”) planning and related defense and litigation strategies when such planning comes under scrutiny and attack by the Internal Revenue Service based upon treatment in the United States Tax Court and U. S. Circuit Courts of Appeal. Because of the nuances of the myriad cases and occasional conflicting analysis, the discussion will concentrate on planning steps and defensive strategies instead of an in depth analysis of the case law.

This outline tracks the very excellent materials prepared by Stephanie Loomis-Price² and the FLP/LLC Checklist prepared for the Business Planning Committee of the American College of Trusts and Estates Counsel³ authored by T. Randall Grove, Elizabeth Hutchins, Barry Nelson, Merv Gerson, Neill McBryde, John Ramsbacher, Nancy Hughes, Greg Gadarian, Bill Graf and Jim Nepple which has been updated through September 7, 2010 (the “Checklist”). Both of these resources which cite relevant cases throughout are included with this presentation.

A successful planning engagement to form, organize and operate an entity, the interests in which are transferred by gift or at death, should begin with the objective of receiving a no change letter at the conclusion of a gift tax audit or receiving an IRS Closing Letter at the conclusion of an estate audit . This presentation assumes that the entity will have been designed, established, operated, documented and reported in a manner to achieve these results. However, one can not be assured today that the outcome of such an audit tomorrow will be successful for the taxpayer as the Internal Revenue Service has successfully shifted its basis for attack over the years and each entity presents a unique set of facts and circumstances with its own strengths and weaknesses. As usual, the future remains somewhat unpredictable!

B. TALES FROM THE FRONT

Composite audit anecdote when the Internal Revenue Service found fault with the taxpayer’s entity in its design, establishment, or operation or in the steps taken in wealth transfer.

C. INVENTORY OF IRS ATTACKS

- 1. Death: Validity of the entity issues - I.R.C. §§ 2036(a) and 2038(a)**
 - a. Retained life interest – I.R.C. § 2036(a)(1) – Inclusion of fair market value of transferred property at death.**
 - (1) Exception - Bona fide sale for an adequate and full consideration in money or money’s worth I.R.C. § 2036(a)**

¹ Covey, Stephen R., *The 7 Habits of Highly Successful People*, Free Press (1989, 2004) – Habit #2

² Used with permission.

³ Used with permission.

- (2) **Significant non-tax purpose**
 - (3) **Express or implied agreement for transferor to enjoy transferred asset for life (income or corpus)**
 - (4) **Undivided fractional interest discounts for real estate or minority interest discounts for closely-held stock may be available but no lack of marketability or lack of control discounts for entity interests.**
- b. Retained control – I.R.C. § 2036(a)(2). Designation of enjoyment of income or property resulting in the inclusion of fair market value of transferred property at death.**
- (1) **Undivided fractional interest discounts for real estate or minority interest discounts for closely-held stock may be available but no lack of marketability or lack of control discounts for entity interests.**
- c. I.R.C. §2038(a) - Inclusion of fair market value of transferred property at death where enjoyment is subject at date of death of transferor to any change through exercise of power alone or in conjunction with another to alter, amend, revoke or terminate**
- (1) **Exception: Bona fide sale for an adequate and full consideration in money or money's worth I.R.C. §2038(a)(1)**
 - (2) **Undivided fractional interest discounts for real estate or minority interest discounts for closely-held stock may be available but no lack of marketability or lack of control discounts for entity interests.**
- 2. Gift: Indirect gift of underlying assets – I.R.C. §2511(a) where a gift need not be direct to the donees but is made to an entity in which the members or partners benefit with enhanced value of their interests in the entity.**
- 3. Gift: Step Transaction. (*Holman*) – a judicial concept that collapses multiple steps to create gift of underlying assets in entity.**
- 4. Gift: Present Interest for purposes of the annual gift tax exclusion – I.R.C. § 2503(b). Present economic benefit?**
- 5. Gift and Death: Valuation Issues - I.R.C. §§ 2031, 2703(a)(2) and 2704(b).**

- a. **Fair market value of entity interests discounted from fair market value of underlying assets - I.R.C. § 2031 and Reg. § 20.2031-1(b)**
- b. **Disregarded rights and restrictions - I.R.C. § 2703(a)**
 - (1) **Exception – I.R.C. § 2703(b)**
 - (a) **Bona Fide Business arrangement**
 - (b) **Not a device to transfer such property to members of the decedent’s family for less than full and adequate consideration in money or money’s worth**
 - (c) **Terms comparable to similar arrangements entered into by persons in arms’ length transactions**
- c. **Certain lapsing rights and restrictions - I.R.C. § 2704(a)**
 - (1) **Exceptions to disregarding applicable restrictions – I.R.C. § 2704(b)**
 - (2) **Example – for valuation purposes, disregard restrictions in buy sell agreements and transfer restrictions applying to interests in entity – I.R.C. § 2704(a)**
- d. **Applying different discounts per asset class per relevant factors pertaining to each class**
- e. **Accuracy penalties I.R.C. § 6662**
- f. **Audit Issue. Audit request for materials, privilege, burden of proof and protective claims**

6. Death: Marital deduction “mismatch”.

This mismatch involves taxing the difference between the value of entity assets included in the decedent’s estate under 2036(a) with no valuation discount and the discounted value of interests in the entity passing to or for the benefit of the surviving spouse under the marital deduction.

- 7. Gift followed by Death: Transfer or relinquishment within 3 years of death – I.R.C. § 2035(a) where the value of the property or interest would have been included in the decedent’s estate under I.R.C. §§ 2036, 2037, 2038 or 2042.**

8. Death: “Double inclusion” of value – I.R.C. §§ 2043, 2036 and 2033

Potential inclusion of values calculated under 2036 offset by 2043 but with values computed under 2033 included as well.

9. Sham transaction.

Similar to step transaction but where deathbed transfers occur. Estate of Murphy v. Commissioner, T.C. Memo 1990-472 (1990).

10. Gift (income tax issues): Investment Company Rules - I.R.C. §§ 721, 351 and

11. Accuracy related penalties – I.R.C. §6662

D. MATRIX – SEE EXHIBIT A.

The major IRS attacks on entity entities related to the phases of planning are arranged in a matrix format that is attached as Exhibit A.

II. DECISION TO ESTABLISH AN ENTITY – CHECKLIST 1-13, EXHIBITS A, H & I

A. INITIAL CONTACTS AND COMMUNICATION (Pre-entity stage involving communications and discussions)

1. Communications include:

- a. Oral Communications (telephone, e mail, fax)**
- b. Written Communications**
- c. Explanatory materials**

2. Discovery – realize that oral and written communications can and will be used against (or for) your client. See Checklist 4, IRS Appeals Coordinated Issue Settlement Guidelines and Exhibits H & I

3. Privilege – should the client waive the privilege if it is beneficial?

B. PURPOSE - Will the entity serve a legitimate and significant non-tax purpose? – Qualification under I.R.C. § 2036(a) bona fide sale exception to I.R.C. § 2036(a) retention of income and/or control attacks. A legitimate and significant non-tax purpose also aids in avoiding the step transaction and I.R.C. § 2703(a) valuation attack.

1. Is there a compelling nontax business or investment reason that would be considered a legitimate and significant (actual) non-tax motivation for creating the entity? The existence of such a reason, coupled with

the receipt of adequate consideration, should withstand an IRS attack of valuing the underlying assets without discounts attributable to the interests in the entity or including the assets in estate

2. See list in III. 6. regarding asset issues
3. *Bongard and Keller* approaches to exceptions to I.R.C. § 2036(a) – Checklist Exhibits C-1-4
4. Creditor protection for financially irresponsible family and legacy assets? (*Black* 133 T.C. 15)
5. Divorce protection (*Keller* 204 AFTR 2D 2009-6015)
6. Litigation protection and management efficiency (*Shurtz* T.C. Memo 2010-21)
7. Hold legacy assets and buy/hold philosophy (*Murphy* 104 AFTR 2d 2009-7703)
8. Avoid “standard” nontax motives without application as courts have found these to lack credibility unless supported by actual facts and circumstances
9. Bad facts as to purpose
 - a. Reduce estate tax
 - b. Testamentary planning
10. Focus of discussions – tax savings, estate planning, testamentary transfers (bad) or legitimate and significant nontax business or investment reasons (good)? Design the entity to operate as one would operate a business. The more arms-length and reflective of how unrelated third parties would structure an entity, the better. (*Shurtz*).
11. Document non-tax reasons for forming entity. Counsel should discuss non-tax reasons for formation and organization and document those discussions for future discovery upon audit.

III. DESIGN OF THE ENTITY – (QUALIFICATION STAGE) - CHECKLIST 1-13, EXHIBITS B-1-3, C-1-4, D, E-1-3, F, G, H & I

- A. Qualification of client and partners to avoid retention of income (I.R.C. § 2036(a)(1)) and retention of control attacks (2036(a)(2)) and to qualify under bona fide sale exception (I.R.C. § 2036(a)).

1. **Can the client afford to sell the entity units to a grantor trust or give them away? Best avoidance of I.R.C. § 2036(a)(1).⁴ Can creator of entity sustain lifestyle without dependency upon entity distributions? If not, will need further independence and objective prorata basis for distributions to all partners.**
 2. **Health of client – poor health, terminally ill or lack of capacity? The worse the condition of the client, the more vulnerable the entity can be towards an attack that the reason to form the entity and gift interests is reflective of testamentary planning, a motive that would be detrimental to qualifying for the bona fide sale exception.**
 3. **Age of client – very elderly? Likewise, the older the client, the reason for setting up the entity reflects testamentary planning.**
 4. **Would the health or capacity of the client only allow formation of the entity under a power of attorney? May look like testamentary planning**
 5. **Financial independence of client separate and apart from dependency upon income or principal distributions from the entity can dispel a retention of income/principal under I.R.C. § 2036(a)(1).**
 6. **Will the partners be willing to live with the terms and conditions imposed by the entity agreement?**
- B. Qualification of the assets⁵ as supporting legitimate non-tax purpose – I.R.C. § 2036(a) bona fide sale exception**
1. **Modern portfolio theory – mix of investment classes that offset movement of stock or bond market**
 2. **Assets that can only be owned by those satisfying “accredited investor” or “qualified investor” rule**
 3. **Assets requiring active professional management**
 4. **Lowering investment costs by pooling assets**
 5. **Exclude the personal residence and other personal assets**
- C. Risk analysis - Is an entity appropriate in this situation or would alternatives better serve the objectives?**
1. **Should an entity be formed or not? Costs and other considerations**

⁴ Eastland, Stacey, “Some of the Best Family Limited Entity Structuring and Implementation Ideas We See Out There (Including Ours), Presentation ACTEC Business Planning Committee, St. Louis, June 2010.

⁵ Id.

2. **Alternatives – GRATs, IDGTs, private annuities, CLATs, ILITs, etc.**
- D. Cash-flow plan – I.R.C. § 2036(a)(1) avoidance**
1. **Involve accountant and financial planner in calculating transferor’s financial needs for standard of living to retain sufficient assets outside entity for needs and to only transfer excess to entity**
 2. **Sufficient assets outside of entity to maintain lifestyle? Generally, retain personal residence outside entity unless fair rental value paid.**
 3. **Preservation of Records and Materials from Initial Contacts and Discussions**
 4. **Discussion of risks under audit.**
 5. **Strength of advisor team – Appraisers, accountants, attorneys, financial advisors**
- E. Control plan – Especially if transferor serves as manager – avoidance of I.R.C. § 2036(a)(2)**
1. **Distribution power limited by an enforceable standard subject to court review and supervision**
 2. **Formula distributions per a court enforceable standard**
 3. **Special manager for discretionary distributions**
 4. **Trusts with independent trustees to subject decisions to fiduciary standards or trustees serving as manager**
 5. **Avoid retention of powers in transferor as a limited partner to dissolve entity or other powers that might activate I.R.C. § 2036(a)(2) (Strangi)**
 6. **Avoid retention of powers in transferor as a limited partner to control, remove and or replace the general partner**
 7. **Retention of control applies to donor partner and for other partners whose actions may be attributed to donor (see Strangi). Checklist Exhibits D and E-1-3**
 8. **Non-contributing partner serving as manager.⁶**
 9. **Bifurcate powers of general partner⁷**

⁶ Id.

- a. **Management – retained by donor partner**
- b. **Distribution of income – transferred to trust. The contributing partner could then donate these interests to a trust created by the donor. The donor can retain the power to remove and replace the trustee with an unrelated or not subordinate successor trustee. See Rev. Rul. 95-58, 1995-2 C.B. 151.**

IV. ESTABLISHMENT – DOCUMENTATION – FORMATION, ORGANIZATION AND IMPLEMENTATION STAGE – CHECKLIST 13-16, EXHIBITS F, G, H, I, J, K, M & O-1

A. Proper steps to avoid attacks of indirect gift under I.R.C. § 2511 or step transaction theory. *First things first!* Albert Einstein was right when he said, “The only reason for time is so that everything doesn’t happen at once.” And, it should not in the case of entity formation, organization and wealth transfer either!

1. **Establishing under state law. Make sure that the entity is legally formed before proceeding. Watch effective date of state statutes however if filing treats entity as commencing business as IRS will verify if tax returns are filed even if no income or expense from commencement of doing business and will use this lack of compliance as evidence of not treating the entity as a reality.**
2. **Organization. Prepare operating or entity agreement.**
3. **Establish capital accounts**
4. **Open entity bank accounts separate from creator’s personal accounts**
5. **Funding.**
 - a. **Contributions and credit to contributing partner’s capital account**
 - b. **Record deeds and title transfers to entity**
 - c. **Children funding entity with their own assets?**
 - d. **Retitle investment accounts in trust**
 - e. **Defined valuation clause stated in dollars relative to marital deduction or disclaimers with excess passing to charity? IRS opposes TAM 200245053 as against public policy**

⁷ Id.

- B. Communicating with Third Parties – Accountants, appraisers, insurance advisors, investment managers, attorneys for other partners, Etc.**
 - 1. Appraisals. Knowledgeable appraiser conversant with the impact of IRS attacks and court cases.**
 - 2. Independent legal representation of other partners and negotiation regarding terms and conditions of entity?**
 - 3. Independent trustees involved for children/grandchildren’s trusts?**
- C. Defer discussion and implementation of gifting strategy by observing proper sequencing and timing (see discussion of indirect gifts I.R.C. § 2511(a) and step transaction avoidance under VI below):**
 - 1. Proper formation under state law, contributions by all partners in exchange for prorata interests in entity, credits to all partner’s capital accounts, then wait before gifting, taking into account an appropriate time for exposure of the issued interests to a real economic risk**
 - 2. Time period between funding, crediting contributing partner’s capital account and gifts**
 - 3. Delay discussion and documentation of gifts until after formation and organization of entity and some period of operations. Defer substantive discussions regarding amounts of gifts, drafting trusts of as recipients of gifts and actual transfers of entity interests⁸**

V. OPERATION OF THE ENTITY (DOCUMENTATION, MONITOR AND MAINTENANCE STAGE) – “RESPECTING THE ENTITY” CHECKLIST 17, EXHIBITS J, K & M

Activities within this stage generate evidence that may harm or help counsel in a gift or estate tax audit. This evidence will support or undermine arguments for a legitimate and significant non-tax purpose for the creation of the entity under the I.R.C. § 2036(a) bona fide sale for adequate consideration exception to I.R.C. § 2036(a) attacks. Courts have routinely examined evidence from this stage to support their findings for an I.R.C. § 2036(a) exception. Where the courts have found a legitimate non-tax purpose for creating the entity some slippage in operational details has been overlooked.

- A. Management of investment and business assets and entity**
 - 1. Actual meetings even though not legally required and actual participation by members**

⁸ Hatcher, Milford B., Jr., “Indirect Gift and Step Transaction Current Developments (Linton and Heckerman)”, Business Planning Committee, ACTEC Annual Meeting, Bonita Springs, Florida, March 2010.

2. **Attorneys, accountants and investment advisor participation?**
 3. **Maintain minutes of meetings**
- B. Adherence to agreement and documenting changes**
- C. Distributions – avoiding I.R.C. § 2036(a)(1) and (2)**
1. **Made in accordance with state law with fiduciary standards?**
 2. **Standards for distributions in agreement that would be enforceable in court?**
 3. **Proportionate or disproportionate? If disproportionate in favor of creator of entity for personal livings costs, medical treatment, annual exclusion gifts or for rent free use of residence or personal property, these factors will suggest an actual or implied agreement to retain the use and enjoyment of the transferred property running afoul of I.R.C. § 2036(a)(1) .**
- D. Accounting and reporting**
1. **Maintenance of separate books and records**
 2. **Banking – maintenance of separate bank accounts for the entity and for the transferor**
 3. **Tax Reporting – timely and regular**
- VI. WEALTH TRANSFER – CHECKLIST 15 – 16, 20-21, EXHIBITS B-1-3, C-1-4, D, E – 1-3, H & I**
- A. Lifetime gifts – avoidance of indirect gift (I.R.C. § 2511(a)) and step transaction and qualification of gifts for present interest (annual exclusions under I.R.C. § 2503(b))**
1. **Initial gifts**
 - a. **Timing. The initial gifts should be deferred until the entity has been fully formed and organized.**
 - b. **Was the time between completion of formation and organization and the actual gifting sufficient to subject interests to “real economic risk of change in value” in market? (see discussion below regarding indirect gifts and step transaction)**

- c. **Rule of thumb of 6 days to 2 months? No express statutory or regulatory support and only limited judicial support in *Holman* as dicta⁹**
 - 2. **Ongoing gifts – proper credits and adjustments to capital accounts, distributions reflect changes in ownership and documentation of the same**
- B. **Lifetime gifts: Indirect gift of underlying assets on formation of entity or for later gifts - Reg. §25.2511-1(h)(1)**
 - 1. **Indirect gift of underlying assets defeats justification for discounts related to minority interest and lack of marketability attached to gifts of entity interests**
 - 2. **When did the transfer of assets to the entity occur – before, at the same time or after the transfer of interests in the entity?**
 - a. **Transfer of assets to entity after transfers of interests in the entity can be indirect gifts – I.R.C. § 2511(a).**
 - b. **Contributions allocated prorata to the noncontributing partners constitutes an indirect gift.**
 - c. **Allocation of contribution to contributing partner’s capital account first followed by gift of entity interest may avoid indirect gift (but possibly not step transaction attack)**
- C. **Lifetime gifts: Step transaction (A judicially recognized concept) – integration of funding and gifting treated as simultaneous which results in gift of underlying assets without discounts attendant to entity interests**
 - 1. **Three versions of the step transaction doctrine – the Tax Court has not adopted a particular version:**
 - a. **Binding commitment test – Was the transferor under a binding commitment to take the later step at the time the initial step was taken?**
 - b. **End result test – Were the separate steps prearranged parts of a single transaction intended from the outset to reach the ultimate result?**
 - c. **Interdependence test – Would one step not be taken without the others having been taken?**

⁹ Id.

2. **Economic Risk Test. Volatility of assets between time of contribution and gift of interest in entity**
 - a. **Avoidance of step transaction attack. Defer gifts until sufficient time for exposure to real economic risk of a change in value (e.g. market risk) (*Linton* 104 AFTR 2d 2009-5176 and *Heckerman* 104 AFTR 2d 2009-5551; see also *Holman*, *Gross* and *Pierre II*).**
 - b. **Nature of assets and attendant volatility**
 - (1) **Publicly traded stock may require less time (6 days for Dell stock in *Holman*)**
 - (2) **Low volatility assets: Municipal bonds, Treasuries, preferred stock and real estate may require more time**
- D. **Lifetime gifts: Present interest gifts qualify for annual gift tax exclusion – I.R.C. § 2503(b)**
 1. **Substantial present economic benefit to donee members of entity (*Price* T.C. Memo 2010-2; *Fisher* 105 AFTR 2d 2010-1347)**
 2. **Use or possession of transferred property or ability to put interest and liquidate interest (*Hackl*)**
- E. **Sale or redemption – Checklist 17-18 for details**
- F. **Death - Checklist 19-21**
 1. **I.R.C. § 2036(a)(1) – payment of estate tax and administration expenses**
 - a. **Loans**
 - b. **Other alternatives (sale of interest to other partners, third party loans, partial redemptions, etc.)**
 2. **I.R.C. § 2036(a)(2) – control attacks (see discussion above in III. E.)**
 3. **I.R.C. § 2036(a) – Bona fide sale for adequate and full consideration exception**
 - a. **Legitimate and significant non-tax purpose**
 - b. **See discussion above in III. A. and D.)**
 4. **I.R.C. § 2038(a)(1) and I.R.C. § 2038(b) exception (see discussion above in I. C. 1. c.)**

5. **Transfer or relinquishment of interest or power within 3 years of death I.R.C. § 2035(a)**
6. **Death: “Double inclusion” of value – I.R.C. §§ 2043, 2036 and 2033. Potential inclusion of asset values calculated under I.R.C. § 2036 offset by I.R.C. § 2043 but with values computed under I.R.C. § 2033 included as well. Where assets are included under I.R.C. § 2036 due to failure to meet I.R.C. § 2036(a) exception in forming the entity. I.R.C. § 2043 reduces the amount included by the value of consideration received by the decedent valued as of the date of the original receipt. However, I.R.C. § 2033 values the entity interests at fair market value at date of death taking into account appropriate discounts. This can lead to unusual results particularly where significant appreciation of assets occurs between the time of formation of the entity and date of death. The values included under I.R.C. § 2036 (offset by the consideration received I.R.C. § 2043) and I.R.C. § 2033 can both be included. The Service has in practice ignored I.R.C. § 2043 in I.R.C. § 2036 inclusion cases by treating the entity as if it had not been created. The result is no offset under I.R.C. § 2043 but no double inclusion of the value of the entity interests under I.R.C. § 2033.¹⁰**
7. **Death: Marital deduction “mismatch”. Taxing the difference between the value of entity assets included under I.R.C. § 2036(a) with no valuation discount and the discounted value of interests in the entity passing to or for the benefit of the surviving spouse. When the assets of the entity are included in the decedent’s estate under I.R.C. § 2036(a) with no valuation discount and the discounted value of entity interests pass to or for the benefit of the surviving spouse qualifying for the marital deduction, the value of the marital deduction equals only the discounted value of the entity interests. The difference in value between the value of the assets included in the estate and the value of the discounted entity interests passing under the marital deduction is subject to estate tax in the decedent’s estate (see *Black and Schurtz*). The result can be worse if the entity interests were previously fully transferred but the entity assets were included in the estate under I.R.C. § 2036(a) as retained interests as other assets in the estate would need to be utilized to pay the estate tax (the problem of inclusion of “phantom assets” in the estate)**

¹⁰ See Eastland, Stacy, *The Best Legal Argument Against Application of IRC Section 2036 to a Decedent’s Entity Interest – IRC Section 20343 Inclusion Supersedes IRC Section 2036 Inclusion*, ACTEC website at national Committee Material Archives, Annual 2009 Meeting, Estate and Gift Tax Committee.

G. Valuation

1. **Disregarded restrictions under I.R.C. § 2703(a)(2). I.R.C. § 2703(b) exception**
 - a. **I.R.C. § 2703(a)(2) disregards such restrictions for valuing an entity interest resulting in reduced discounts (*Holman*)**
 - b. **Exception. Such restrictions will not be disregarded if a bona fide business reason exists for the restrictions I.R.C. § 2703(b)**
 - c. **Unlike the exception under I.R.C. § 2036(a)(1), which allow a broad range of purposes, the exception under I.R.C. § 2703(b)(1) suggests that an active business or active investment management is required**
 - d. **Passive investment approaches or easily valued assets such as marketable securities in entities are particularly vulnerable to an I.R.C. § 2703(a) attack.**
 - e. **Departure from “willing buyer/willing seller” to “rational economic actor”. *Holman and Smith v. United States*, 2004 TNT 148-9 (W.D. Pa. 2004), aff’d 2004 TNT 176-12 (W.D. PA. 2004) (partners as buyers would most likely pay more for interest).**
2. **Separate each transaction by time or independent nontax reason if each transaction is intended to obtain or enhance discounts (*Pierre II* T.C. Memo 2010-106)**
3. **Was entity terminated shortly after death of creator? – testamentary planning undermines legitimate non-tax purpose**

H. Lapsing rights and restrictions I.R.C. § 2704(a) and I.R.C. § 2704(b) exception

I. Accounting and Reporting – timely, well-documented tax returns and supporting documentation including appraisals

J. Accuracy related penalties I.R.C. § 6662

VII. AUDIT – CHECKLIST 4-18, EXHIBITS B-1-3, C-1-4, D, E-1-3, F, H, I, J, K, M & N AND STEPHANIE LOOMIS-PRICE MATERIALS 18 - 22

A. IRS Appeals Coordinated Issue Settlement Guidelines – see checklist 4-5

B. Procedure

- C. Litigation counsel**
- D. Summonses**
- E. Burden of proof**
- F. Penalties**

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