



## Preface

This text is intended to provide a helpful introduction to the basics of estate planning. The text is written with an eye toward the needs of general practitioners and those who are seeking to develop a specialty in the estate-planning field. For this reason, the text is written in a user-friendly manner that provides basic text treatment of the subject along with cautions, examples, and planning pointers clearly denoted throughout the text. The cautions point out problem areas that must be considered to avoid an unwanted tax or other problem. The examples supplement the text and illustrate the point being discussed. The planning pointers show how to use the tax laws to benefit the tax and other planning needs of one's clients.

The text includes numerous will and trust forms, most of which are reproduced in the final chapter. Generally, the forms are written in the first person. These forms are annotated to make it clear why particular provisions are included in the will or trust. There are also cross-references between the text and the forms to aid readers. Readers are cautioned that these forms are based on the authors' experience with the state law in their home state of Kentucky. Even though much of estate planning deals with federal tax law, readers should be familiar with their own state laws before they make use of these forms. Kentucky is a common-law state; consequently, readers from community property states have to make appropriate modifications because of the uniqueness of will and trust law in those states. Also, the text makes reference to IRS forms. These forms are not reproduced; however, they are readily available and may be obtained at the IRS web site at [www.irs.gov](http://www.irs.gov).

The intent of this book is to make the estate-planning area of law more accessible to nonspecialists. To that end, the authors would appreciate any comments by users of this text regarding areas that need better clarification and areas that should be added to the text. In this way, the quality of subsequent editions can be enhanced.

The fourth edition includes the estate and gift tax law changes made by the Tax Cuts and Jobs Act of 2017. The act simply doubles the estate and gift tax exempt amount; however, these provisions expire December 31, 2025. The law then reverts to the \$5,000,000 (\$10,000,000 with portability) inflation adjusted exempt amount. This complicates planning.

The authors' best hunch is that the law will be allowed to expire and planning will revert to the \$5,000,000 (\$10,000,000 with portability) inflation adjusted exempt amount. If so, wealthier clients should make larger gifts between now and 2025. We expect generation-skipping transfers and trusts for your wealthier clients will become an important planning tool. Otherwise, planning will largely be the same. Cautious practice will be to plan based on the \$5,000,000 inflation adjusted exempt amount while ensuring flexibility in the estate plan to utilize the larger exempt amount permitted between 2018 and 2025.