

**HECKERLING INSTITUTE 2001  
REPORT #8**

As we did in January of the last four years, and again with the permission of the University of Miami School of Law Center for Continuing Legal Education, we will be posting to this list throughout the coming weeks highlights of the proceedings of the 35th Annual Philip E. Heckerling Institute on Estate Planning that is being held January 8-12, 2001 at the Fontainebleau Hilton Resort and Towers in Miami Beach, Florida.

Our on-site local reporters there in Miami this year will include:

Steve Leimberg Esq. of Bryn Mawr, PA - [leimberg@home.com](mailto:leimberg@home.com)  
Bruce Stone Esq. of Miami, FL - [Brucestone@aol.com](mailto:Brucestone@aol.com)  
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Again this year a complete listing of the proceedings and speakers is available on the Institute's Web site. The new URL for that site is <http://www.law.miami.edu/heckerling>  
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**REPORT NO. 8 - Recent Developments and Final Wrap Up**

First, on Monday afternoon, 1/8/01, Jonathan G. Blattmachr, Carlyn S. McCaffrey and Pam H. Schneider presented "Recent Developments in Estate, Gift and Income Taxation2000." We reported on Jonathan's portion of this in Report No. 1. Many of the other matters that were discussed will be reported on in an upcoming issue of Richard B. Covey's Practical Drafting (US Trust Co.). Here from the Index of the Covey materials that were handed out and discussed in Miami are the key topics that were covered:

IRC Sec. 67(e) - 2% floor Misc. Itemized Deductions

IRC Secs. 83 and 7872 - Split-Dollar Life Ins.

IRC Secs. 170, 664, 2055 and 2523 - Charitable Deduction - CLTs and CRTs

IRC Sec. 401(a)(9) - Qualified Plan Benefits - payments to POA trust and LE payment method

IRC Sec. 469(g) - Allowance of Suspended Passive Losses

IRC Sec, 529 - Gifts to Qualified State Tuition Programs

IRC Secs. 642(f) and 643(h) - Def. of Trust Grantor - Final Regs.

IRC Sec. 643(a)(7) - CRTs - Proposed Regs.

IRC Sec. 645 - Election Treat RLT as Part of Estate for Income Tax

IRC Sec. 663(c) - Separate Share Regs.

IRC Sec. 678 - Power of Withdrawal

IRC Secs. 679 and 684 - Foreign Trusts - Proposed Regs.

IRC Sec. 1041 - Nonrecognition for Transfers Between Spouses

IRC Sec. 1361 - ESBT Election and Grantor Trusts

IRC Sec. 2013 - Simultaneous Death and Credit for Income Interest

IRC Secs. 2031 and 2512 - Valuations, including the Simplot, Shephard, Knight and Strangi cases

IRC Sec. 2032 - AVD and Late Returns

IRC Secs. 2035-2039 - Lifetime Transfers

IRC Sec. 2041 - GPOAs

IRC Sec. 2042 - Life Ins. and Grantor Power Change Trustees

IRC Sec. 2053 - Claims and Administration Expenses

IRC Secs. 2056, 2519, 2523 and 2207A - Hubert Reg.s and MD

IRC Secs 2501 and 2511 - Gifts and POAs

IRC Sec. 2503(c) - Gift Tax Annual Exclusion

IRC Secs. 2601-2654 GST - Dynasty Trusts & Choices

IRC Sec. 2702 - GRITs, GRATs and GRUTs

IRC Sec. 2703 - Price Fixed in Agreement

IRC Sec. 2704(b) - Applicable Restrictions

IRC Sec. 4942 - Private Foundation Rules

IRC Sec. 6081 - Automatic Extension File Form 706 - Proposed Regs.

IRC Sec. 6166 - Election Defer Payment of Tax

IRC Sec. 6321 - Lien on Trust Property

IRC Sec. 6501(c)(9) - Gift Tax Adequate Disclosure - Final Regs.

Revocable Trusts - Misc. Matters

Changes in Florida Intangible Tax and Estate Tax Interest Rates Connecticut Payment of Death Taxes

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Next, Steve Williams of U.S. Deeds has sent along the following clarification about his new service offering:

Just wanted to make a clarification regarding your comments about the deed preparation company I also own, U.S. Deeds. Your recital of the deed preparation cost for each attorney-prepared deed (\$150 + recording) is accurate for most states but some states are higher.

Regarding your question about the advice provided, the attorneys we engage for the preparation in a given state routinely raise issues (such as transfer tax imposition where it may not be anticipated) and recommend alternative forms of conveyance when it appears appropriate. That being said, our purpose is very narrow. It is to properly convey the property to the person or entity requested. We do not provide services in the nature of a co-counsel relationship on the estate planning being conducted.

On your final question, U.S. Deeds' O&E policy covers any legal advice we provide regarding transfers in the State of Florida (where we are located) and any errors or omissions that we may make in transmitting to you the legal advice rendered by the attorney we engage in the state where the property is located. The preparing attorney also carries his or her own E&O coverage. Though I'm not a litigator, I have to naively assume the policy "taking the hit" will be the one covering the party at fault.

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Finally, Cowles Legal Systems, Inc. reports the following re their Cowles Estate Planning Software Demo

Cowles Legal Systems, Inc is committed to your estate planning success! Schedule a live, one-on-one Software Demo and see Cowles Trust Plus Drafting software in action from your PC via the Internet!

Cowles Legal Systems provides the most comprehensive drafting and post mortem software available in the legal market and you can now see it in action, real-time from your desktop or home PC at no charge and with no obligation.

You will need:

1. A phone line to call our toll free live demo line 800-366-1730
2. An Internet connection

If you are curious about how our software works, how it differs from your current collection of forms and templates or want to see how we compare to others and how we can streamline your practice schedule a time for a personal tour of our software and system and understand why Cowles is being called the "Best estate planning software available" by attorneys using our software.

Reply to [chad@cowleslegal.com](mailto:chad@cowleslegal.com) with your name, your phone number, date and time (include AM/PM plus time zone) you would like your personal tour of our comprehensive estate planning drafting software and any specific questions you want to be sure to see answered.

Demos range from 30-60 minutes depending on questions and can be scheduled from today through Thursday, January 18, 2001!

Chad L. Pawlak,  
Demo Coach  
Cowles Legal Systems, Inc.  
<http://www.cowleslegal.com>

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That is it for Report No. 8, our FINAL one.

Thanks for listening, and thanks to all the hard working reporters who gave of their time and talent to make this year's Reports possible.

The full text of all the Reports will be posted on the ABA RPPT Web site at [http://www.americanbar.org/groups/real\\_property\\_trust\\_estate.html](http://www.americanbar.org/groups/real_property_trust_estate.html) sometime later today 1/18/00

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