CPA

Practice **Advisor**

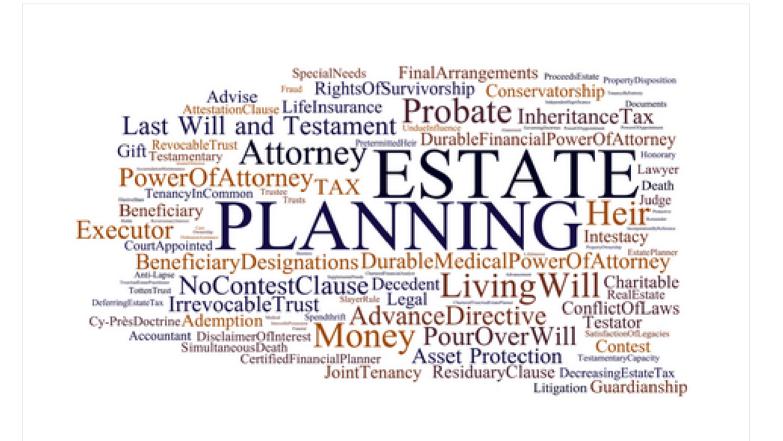
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Thomson Reuters has released a special report, Sales to Intentionally Defective Irrevocable Trusts, which discusses the sale to an intentionally defective irrevocable trust (IDIT) in exchange for its promissory note. The report establishes that the ...

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Thomson Reuters has released a special report, *Sales to Intentionally Defective Irrevocable Trusts*, which discusses the sale to an intentionally defective irrevocable trust (IDIT) in exchange for its promissory note. The report establishes that the sale to an IDIT is recognizable as a sale and not a transfer of wealth for estate planning purposes.

The report examines the structure of standard sale transactions to an IDIT as well as

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treatment of certain estate planning tools, helping clients better conserve their assets for future generations, while minimizing tax liability."

The report explains the tax treatment of any capital gains or income arising from an IDIT transaction, including interest accrued from a promissory note, complete with the citation of accompanying tax codes. It also discusses variations of the standard sale to an IDIT. Additionally, the report analyzes the rulings in four recent estate planning cases and their impact on strategy surrounding the sale to an IDIT, including a final decision by the Tax Court and three companion cases centered on individual estates.

The free report is available for download at tax.thomsonreuters.com/products/brands/checkpoint/IDIT.

This special report is published courtesy of Thomson Reuters Checkpoint's WG&L *Estate Planning*, a monthly journal that alerts readers to timely tax issues, focusing on practical strategies to reduce client taxes and satisfy statutory and regulatory compliance mandates.

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