

Legislative Update - New Law Regarding Estate Tax



Pete Benenati

Licensed in Texas, Arkansas,
Nevada and New York

Board Certified Estate Planning & Probate Law
Texas Board of Legal Specialization

Estate Planning

Tax Planning and Asset Protection

Real Estate and Business Transactions

Business Planning and Formation

Mergers and Acquisitions

Intellectual Property/Trademark

Labor and Employment Law

Benenati Law Firm, PC

2816 Bedford Road
Bedford, TX 76021

**Meetings available in
Bedford and Dallas for our
clients' convenience**

Phone: 817-267-4529

Fax: 817-684-9000

Email contact:

sgoldman@benenatilaw.com

www.benenatilaw.com

The Texas Legislature recently passed a new law that took effect on September 1, 2021, which states that an estate plan or trust created on or after such date may exist for 300 years before it is subject to estate tax.

Previously, a trust was permitted to exist until 21 years following the death of the last beneficiary listed in the trust on the date it was created. For example, if at your death you had children and grandchildren listed as beneficiaries, and your youngest listed grandchild is the last of those to die, under the old law, the trust assets would not be subject to estate tax until 21 years after that grandchild's death. Often, that meant a trust would not be subject to estate tax for approximately 100 years. The new law extends that time to 300 years. This is a major change.

Unfortunately, this new law does not automatically apply to estate plans signed before September 1, 2021. To take advantage of this change, you will need to amend your estate plan, including your Will or revocable trust. This is particularly important if your estate plan creates trusts for your children or grandchildren.

For those who have irrevocable trusts, the planning to take advantage of this change in the law is a bit more complex, and we will need to schedule a call to discuss your options.

For any estate plan signed before June 1, 2021, if you desire to have your plan updated for this change in the law, we have developed an amendment for that purpose. The fee for such amendment is \$275.

This article is intended to be informative but cannot adequately address each client's unique situation. If you would like a meeting or teleconference to discuss the impact the new law has on your estate plan, we are happy to coordinate that with you. Time for such a meeting or teleconference will be billed at our normal hourly rates and will be billed in addition to any fee charged for amending your planning.

Please let us know if we can be of any assistance to you in this regard.

Disclaimer:

This information does not constitute the rendering of legal, accounting or other professional services by Pete Benenati or Benenati Law Firm, PC. This information is not intended to create or provide an attorney-client relationship. Although care is taken to present the material accurately, any implied or actual warranties as to any materials herein are hereby disclaimed along with any liability with respect thereto.