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ESTATE PLANNING FOR THE SUCCESSFUL REAL ESTATE ENTREPRENEUR

Louis A. Mezzullo
Mary Ann Mancini

I. Definition of a Successful Real Estate Entrepreneur

A. A large estate with little or no liquidity.
B. The children may or may not be interested in the real estate business.
C. Spouse usually not involved in the real estate business, but dependent on the income of the business.

II. Life Cycle of the Estate Plan

A. Starting the Estate Plan
   1. Asset Restructuring:
      a. Are they in the proper entity and owned by the correct owner?
      b. What are the tax consequences of restructuring.
   2. Document Review and Revision: Particular issues for the Real Estate Entrepreneur

B. Planning for Life Time Gifting
   1. FLPs and LLCs and the Gift tax.
   2. Planning for the donees: creditor issues, control, fair vs. equal and other issues.
   3. Planning for the donor: issues of control, concern about wealth and the need for a large financial statement.
   4. Gifting techniques vs. Sale techniques

C. Business Succession Planning.

D. Planning for Estate Taxes
   1. FLPs and LLCs and Estate tax issues.
   2. Planning for the payment of the Estate Tax
      a. Graegin notes and other borrowing techniques.
      b. Section 6166.
      c. Insurance Trusts.

III. Conclusion