

Planning Pieces

A Periodic Publication of Issues Affecting Estate Planning

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Estate & Gift Taxes: Changing with the Seasons?

Welcome to a fall edition of Planning Pieces, which, coincidentally enough, comes to you during a season of change.

The big question in estate and gift taxes of late is "What are the rules?" Unfortunately, as practitioners, we are forced to give what I call the cliché lawyer answer of "it depends."

It depends on whether we are talking about federal rules or state rules, and if we are talking about state rules, in which state is legal residence established? It also depends on which year we are discussing: the value of an estate of a decedent who died last year, the value of an estate this year, or the value of an estate next year and beyond. And, of course, it also depends on whether anything happens legislatively between now and the point in time for which we are planning.

While some clients may be inclined to adopt a "wait and see" attitude, the better bet is to be proactive. Take charge, get the facts, and be prepared... We are here to help. Visit me on the web at: <http://www.meyercapel.com/brooke-a-m-didier>



Insured Who Cancelled Life Policy Hit with Unexpected Tax

Mr. Taxpayer was charged with an unexpected tax liability when his whole life policy was cancelled, realizing taxable income of \$29,093.30 that he had not anticipated. The fact that Mr. Taxpayer ended up with no cash in hand at the cancellation of the policy was irrelevant, and an income tax was assessed. [Brown v. Commissioner of Internal Revenue, No. 11-2508](#)



NASS Releases 2012 Average Cash Rents

The National Agricultural Statistical Service has issued data regarding average cash rents which were, on average, up by 16% in 2012 over 2011. However, data suggests more modest increases for 2013 of 1% -3%. A sampling of local county averages:

Champaign: \$243

Vermilion: \$197

Ford: \$186

Piatt: \$249

Douglas: \$238

For full IL map and complete discussion, visit University of Illinois' Farmdoc [here](#)



Neil Armstrong's Estate Plan: Life Insurance Via Autographs?

Sharing this story may be bad for business. So I must say I don't recommend it as an estate planning strategy. Last month, America lost an icon in Neil Armstrong. As an estate planner, I was particularly intrigued by a story that aired on NPR about his life insurance policy. Just before the Apollo 11 crew prepared to take that first giant step, the astronauts on board did some self-created estate planning. The cost of the premium payment for an astronaut who was about to board a rocket to the moon was out of this world (bad pun intended). Instead, the Apollo 11 crew decided to self-insure. Before they went into quarantine, they each sat down and autographed hundreds of envelope covers and secretly sent them to a trusted friend who deposited them in the mail to each of the astronauts' respective families on the day of the launch. If they did not make it back from their mission, each of the families would have had an estimated \$50,000 of autographs, postmarked on the launch date, to sell. Clever. Even for astronauts. Read the full transcript at: <http://m.npr.org/news/front/160267398>

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