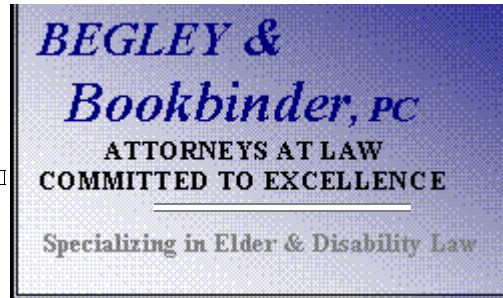


**Ingvar Grimsmo**

**From:** The Law Offices of Begley & Bookbinder, P.C. [laura2@begleylawyer.com]  
**Sent:** Friday, June 09, 2006 9:03 AM  
**To:** The Law Offices of Begley & Bookbinder, P.C.  
**Subject:** B&B Alert Article on Federal Estate Tax Appeal

# THE B&B ALERT

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Please visit us on the World Wide Web at: [www.begleylawyer.com](http://www.begleylawyer.com)

## *SENATE VOTES ON FEDERAL ESTATE TAX REPEAL*

By Neil A. Derman, Esquire

This week the senate voted on a bill to repeal the federal estate tax. Last year the House of Representatives voted 272 to 162 to repeal the tax on a permanent basis. In 2001 President George W. Bush instituted a tax cut phasing out the estate tax through 2010. The repeal of the estate tax would have lasted one year. The tax was scheduled to be returned in 2011. Currently the estate tax is assessed at a rate of 46 percent on estates with a value of more than \$2,000,000. In 2010 there would be no estate tax, however in 2011 the tax would be assessed at the rate of 55 percent on estates valued at more than \$1,000,000.

On Thursday, June 8 the senators voted to reject the effort to shrink taxes on inherited estates by a vote of 57 to 41. Alternate means are being considered to supplement a complete abolishment of the estate tax. One proposition is to subject estates of more than \$10,000,000 to a 15 percent tax rate, 31 percent lower than the current tax rate. Modifications are made to try and pass this proposition by subjecting larger estates of \$30,000,000 or more to a 30 percent tax rate. However, with the current senate's vote, the process of creating a permanent estate tax is still in limbo. With the current budget deficit it would seem unlikely that an estate tax repeal would be passed. An alternative of creating a permanent estate tax at a set rate would be a more likely solution to the current problem. Raising the exemption amount and lowering the taxable percentage may be the only viable alternative we will see to repealing the current estate tax system. However if a proposition is not passed, or a solution quickly found, by 2011 we may find ourselves in the same situation we were in in 2001 and a larger percentage of estates will find themselves subject to the estate tax.

## Upcoming Firm Seminars on Medicaid Planning

Tuesday, June 13, 2006      7-8 pm  
Moorestown Community House  
16 East Main Street, Moorestown, NJ

Wednesday, June 14, 2006      10-11:30 am  
Wingate Inn Cherry Hill/Voorhees  
1000 Laurel Oak Road, Voorhees

Wednesday, June 14, 2006      2-3:30 pm  
Howard Johnsons  
2015 Burlington-Mt. Holly Road  
Mt. Holly, NJ

Wednesday, June 14, 2006 7-8 pm  
Hampton Inn Bordentown  
2004 Route 206, Bordentown, NJ



*BEGLEY & BOOKBINDER* hosts a weekly radio program on **WWDB 860 AM** on the radio dial from **11:00am to 12:00 pm** every **Wednesday**. Each week a different member of the firm hosts the program. Guests are invited. The topic changes on a weekly basis. The program is called **“Senior Forum.”** *Please listen in on Wednesday at 11.*



Begley & Bookbinder, P.C. is an Elder & Disability Law Firm with offices in Moorestown, Stone Harbor and Lawrenceville, New Jersey and can be contacted at 800-533-7227. The firm services southern and central New Jersey and eastern Pennsylvania.

The Firm provides services in connection with protecting assets from nursing home costs, Medicaid applications, Estate Planning and Estate Administration, Special Needs Planning and Guardianships. If you have a legal problem in one of these areas of law, contact Begley & Bookbinder at 800-533-7227.

Begley & Bookbinder has prepared **Special Reports** concerning *Special Needs Trusts, Vacation Area Homes – Tax and Management Issue and Utilizing Special Needs Trusts in Matrimonial Cases*. Please contact Begley & Bookbinder at 800-533-7227 or visit our website at [www.begleylawyer.com](http://www.begleylawyer.com) to obtain a **Special Report**.

Our web site contains a library of firm newsletters, articles, on-line forms for Medicaid, Estate Planning and Guardianship, as well as our upcoming speaking engagements, our products, and other relevant information.

If you have any comments, e-mail us at [ccaruso@begleylawyer.com](mailto:ccaruso@begleylawyer.com)

**you are interested in having an Elder & Disabilities Law Attorney from Begley & Bookbinder speak at an event, please contact Colleen Caruso at (856) 787-4237.**

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