

33rd Annual
Tax Symposium

**HOW TAX, PROBATE AND TRUST
ADMINISTRATION OFTEN DON'T MESH**

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"I hope you kept the tags... unless we can claim this as a business expense?"

DIFFERENCES

- Trust Accountings
- Probate Accountings
- Tax Filings



TAX RETURNS

- 1040
- 1040 Seniors
- 706

The image shows a collage of tax forms. The most prominent is the 2020 Form 1040, U.S. Individual Income Tax Return. It includes sections for Filing Status (Single, Married filing jointly, Married filing separately (MFS), Head of household (HOH), Qualifying widow(er)), Personal Information (Name, Address, City, State, ZIP code, Foreign address), and Standard Deduction. There are also checkboxes for 'Someone can claim' (You as a dependent, Your spouse as a dependent) and 'Age/Blindness' (You, Spouse). A 'Dependents' table is partially visible with columns for (1) First name, Last name, (2) Social security number, (3) Relationship to you, and (4) Child tax credit. Other forms visible include Form W-4 (Employee's Withholding Allowance) and Form 706 (Estate Tax Return).

WHEN ACCOUNTINGS DON'T ALIGN WITH TAXES

Trust & Probate Accountings don't always line up perfectly with tax returns:

- Time period not always 12/31
- Fiduciary & Attorney fees need to be court approved
- Other examples

FAMILY DISPUTES



"On the bright side,
we've almost cracked
this probate case!

It should
just be another
decade...or two."

FAMILY DYNAMICS IMPACT TAX FILINGS

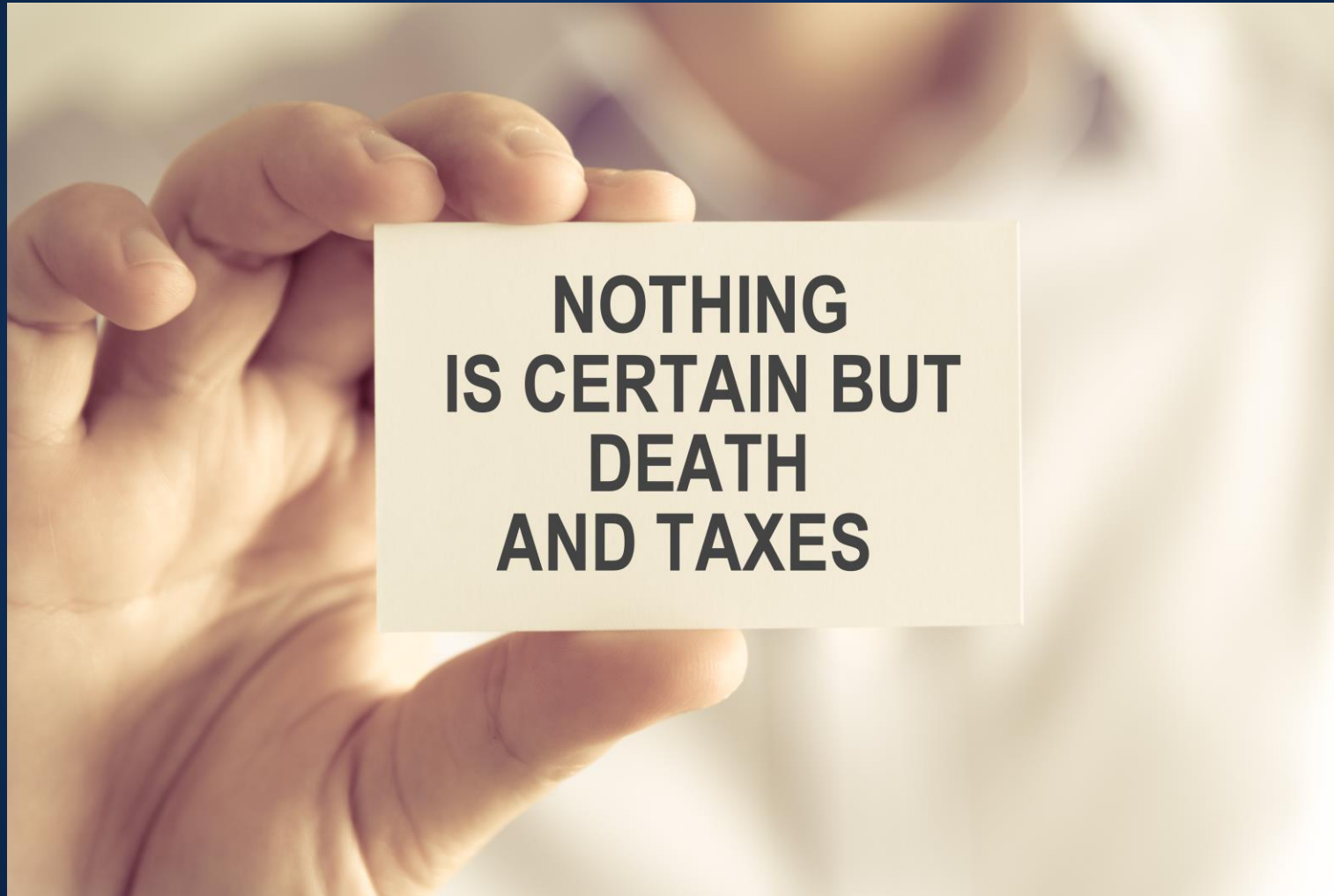


ESTATE STRUCTURE DETERMINING TAX FILINGS

Possible tax filings:

- Federal income tax for deceased
- Michigan income tax for deceased
- Other states' income tax for deceased
- Federal income tax for trust
- Michigan income tax for trust
- Other states' income tax for trust
- Michigan Single Business Tax
- City income tax for deceased
- City income tax for trust
- Federal estate tax
- Michigan estate tax
- Other states' estate or inheritance taxes
- Gift tax for gifts prior to death
- Generation-skipping transfer tax
- Michigan generation-skipping transfer tax
- Other states' generation-skipping transfer tax
- Real estate taxes
- Transfer taxes on disposition of real estate
- Income tax returns for C-Corps or S-Corps
- Income tax returns for LLCs or PCs
- Income tax withholding for employees of trust
- Form 56 collect refund due to a deceased taxpayer

DEATH AND TAXES



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THANK YOU



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