

TAX PLANNING AND COMPLIANCE FOR U.S. BENEFICIARIES OF FOREIGN ESTATES AND TRUSTS

United States beneficiaries of foreign estates and trusts are subject to special, complex tax rules and information reporting obligations. The tax treatment of income and corpus can vary significantly depending upon the nature of the income and the timing of income recognition and distributions.

Marks Paneth & Shron LLP has specialized expertise in assisting executors, trustees, beneficiaries and their advisors in maximizing the after-tax income of such structures and in meeting all required compliance obligations. We have developed proprietary models to analyze the interplay between all types of investments and the relevant tax rules. In many circumstances, U.S. beneficiaries can defer, reduce and even eliminate the United States income tax imposed on income and distributions derived from foreign states and trusts.

Services Offered:

- Structural Estate and Income Tax Planning Alternatives for Nonresident, Noncitizens Intending to Benefit U.S. Persons
- Classification of Foreign Estate and Trusts for United States Tax Purposes
- Planning for Current and Accumulation Distributions of Income and Corpus
- Portfolio Management and Investment Selection in the Context of Interest Foreign Estates and Trusts
- Planning Utilizing Grantor Trusts
- Planning Utilizing "Dynasty" Trusts
- Analysis of Throwback Rules Applicable to Foreign Trusts
- Minimization of Interest Charge on Accumulation Distributions from Foreign Trusts.
- Analysis of, and Compliance with, Reporting Requirements for Foreign Trusts, Estates and Gifts
- Transfers to Foreign Trusts by U.S. Persons
- Change of situs of Foreign Trusts
- Asset Protection Trusts
- Client Specific Uses of Foreign Trusts.
- Impact of Tax Treaties
- Planning for Ownership of Controlled Foreign Corporations, Foreign Personal Holding Companies and Passive Foreign Investment Companies by Foreign Estates and Trusts
- Reorganization of Existing Structures
- Compliance with Information Reporting and Tax Computation Obligations