

**Steve Leimberg's Estate Planning Email Newsletter - Archive Message #3102**

**Date:** 13-Feb-24

**From:** Steve Leimberg's Estate Planning Newsletter

**Subject:** [Linda Kotis: Fourteen Ways to Show Your Affection Through Tax Planning on Valentine's Day](#)

*“February 14th is Valentine’s Day. Instead of buying the same old flowers and candy, why not take advantage of the tax code to benefit yourself and others in your life?”*

**Linda Kotis** provides members with commentary on 14 tax planning tips.

**Linda Kotis** is Of Counsel in the Washington, DC office of **Ivins, Phillips & Barker**, a firm ranked by Chambers in its 2023 *High Net Worth Guide*. She is a member of the District of Columbia, California, Indiana, and Maryland Bars. Linda advises clients on forming and revising their estate plans and analyzes estate, income, generation-skipping transfer, and gift taxation matters for high-net-worth individuals and families. Linda’s most recent articles for **LISI** include [Little Did She Realize - The Case of an “Eye-o-wa”–Opening Trust Amendment](#) (March 29, 2023), [The Ides of March Can Bring “Good Tax Luck”](#) (March 15, 2023), [Making Amends - Baker v. Baker and the Case of the Missing Trust Caption](#) (February 16, 2023), [Go Tell It On The Mountain - Reasons to Talk about Your Philanthropy](#) (December 27, 2022), [Lessons from a Trust-Maker: Have Faith in Creative Drafting](#) (October 13, 2022), and [Rotert v. Stiles and Dead Hand Control: Why Indiana Can’t Be “Trusted” to Prohibit Public Policy Violations](#) (April 13, 2022). She is the author of *Counterattack: Tips for Thwarting a Will Contest* (November 19, 2022), for Kiplinger, and a co-author with Andrea Dykes and Carolyn Rogers, both of Howard Insurance, of *Maryland Enacts New Elective Share Law: Increased life insurance planning opportunities for states that have adopted the augmented estate concept*, *Wealth Management’s Trusts & Estates* (August 11, 2020) and *The 2020 Election in Maryland: It’s Not About Politics*, *Probate & Property* magazine (July/August 2020). She has also written for *Washington Lawyer*, *Bloomberg BNA Daily Tax Report*, and *Wealth Strategies Journal*. Among Linda’s recent presentations on estate planning are a 2022 webinar with co-presenter Gina Lynn, Esq. based on Linda’s LISI article *Lessons from a Trust-Maker*. Linda is an active member of the Estate Planning Council of Montgomery County, Maryland.

Here is her commentary:

## **EXECUTIVE SUMMARY:**

February 14 is Valentine's Day. Instead of buying the same old flowers and candy, why not take advantage of the tax code to benefit yourself and others in your life?

## **COMMENT:**

Here are 14 tax planning tips to benefit yourself, your family members, your friends, and those in your community:

1. Make a Qualified Charitable Distribution (QCD) of up to \$105,000 from your retirement account directly to charity. The QCD will satisfy your required minimum distributions (RMDs) and will not be included in your taxable income.
2. Front-load your 401(k) contributions to reach the new 2024 limits of \$23,000 sooner than year-end. Your investments will then have more time to grow through the rest of the year.
3. Set up and contribute to an IRA for a child who has earned income. Income includes cash paid for babysitting or mowing a neighbor's lawn. The IRA grows tax-free during the child's lifetime and teaches her the value of planning for the future.
4. Make annual exclusion gifts to family members and friends (up to \$18,000 per donee). A recipient pays no taxes, and the gift does not use up any of your lifetime gift tax exemption.
5. Give appreciated securities directly to your sibling's favorite charity. In many cases, you won't have to recognize the gain as your income.
6. Establish a 529 plan for a child, grandchild, niece, nephew, or other family member. The assets grow tax-free and may be used for the beneficiary's education expenses. If the beneficiary does not end up needing all

account assets for college expenses, you can transfer the account to benefit another person instead.

7. Do a Roth conversion on a traditional IRA holding assets which have declined in value this year. A lower value asset will have reduced income tax liability on the conversion.
8. Make gifts to family members to use up your lifetime gift tax exemption, which is now \$13.61 million per person. Giving assets away during your lifetime allows the appreciation on the assets to escape estate tax in your estate.
9. Allocate additional generation-skipping transfer (GST) tax exemption to existing trusts that are not fully GST-exempt. Like the gift tax and estate tax exemption, the GST tax exemption is now \$13.61 million per person.
10. Make an extra mortgage payment on the loan for your primary home. This will increase your mortgage interest deductions on your 2024 income tax return.
11. Complete repairs on a rental property. The repair may offset rental income on your 2024 income tax return, and your tenants will be glad to have the repairs made.
12. Create a Spousal Lifetime Access Trust (SLAT) for your spouse and children and fund it with some of your lifetime gift tax exemption. Your spouse may serve as Trustee of the SLAT and make distributions to himself/herself and your kids during their lifetimes. Benefits from the SLAT are also indirectly available to you as well. For example, the distributions to your spouse may cover household costs or vacation expenses you might have paid directly if the assets had still been held in your own name.
13. Start your spring cleaning and donate gently used household furnishings, clothing, and books to charity. For items in good condition and if you itemize, you may claim a charitable deduction on your 2024 income tax return.

14. And last, but not least, stop procrastinating and execute your Will, Revocable Trust, Power of Attorney, and Advance Medical Directive. This will ensure your estate planning is put into effect, give your loved ones peace of mind, and also help your estate planning attorney to have a Happy Valentine's Day!

### **Concluding Observation**

Valentine's Day offers a chance each year to demonstrate our affection for spouses, partners, children, other family members, and friends, as well as to be kind to ourselves. What better way to honor those in our lives than to share our good fortune and take advantage of tax planning tips.

**HOPE THIS HELPS YOU HELP OTHERS MAKE A POSITIVE DIFFERENCE!**

*Linda Kotis*

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