

2010 – A Good Year to Die?

It might come across as morbid, but 2010 is being branded to be a good year to die, especially for those with large estates.

The estate tax or “death tax,” was allowed to lapse at the end of 2009, making 2010 a year where one's estate after death would not face taxation. This was highlighted by New York Yankees

owner George Steinbrenner who died in July and whose multibillion dollar estate stood off limits to Uncle Sam.

However in 2011, the tax is scheduled to come back with a vengeance, with a top rate of 55% and the lowering of the exemption from 3.5 to 1 million dollars. The jump from 0% to 55% could amount to one of the largest tax rate increases in the nation's history.

This could prove a relatively awkward situation for heirs as they navigate the difficult waters of end of life care. Some experts in the field are worried that the looming estate tax might persuade some to pull the plug on their loved ones before January 1st

, 2011.

Compounding the matter is the likely inaction this year by Congress and whether or not they will include retroactive elements when they do finally take up the issue.

According to a Tully Rinckey PLLC Elder Law attorney, one should plan now and not wait for Congress. “The biggest problem is that we don't know exactly what Congress will do,” he said. But that being said, people should plan for what is on the books to happen.”

he says that regardless of the Estate Tax, people should seek a well qualified estate law attorney due to the complexity involved. “No matter what, you should have a plan,” he said. “It will provide for greater control of assets, better organization of the estate, and to avoid probate.”

As for making a life or death decision based on money, he says that it should never enter into the equation. “Sadly, there will be those that will consider the estate tax when making these decisions,” he said. “But you hope that there are checks and balances so that the wishes of the person incapacitated will be followed.”