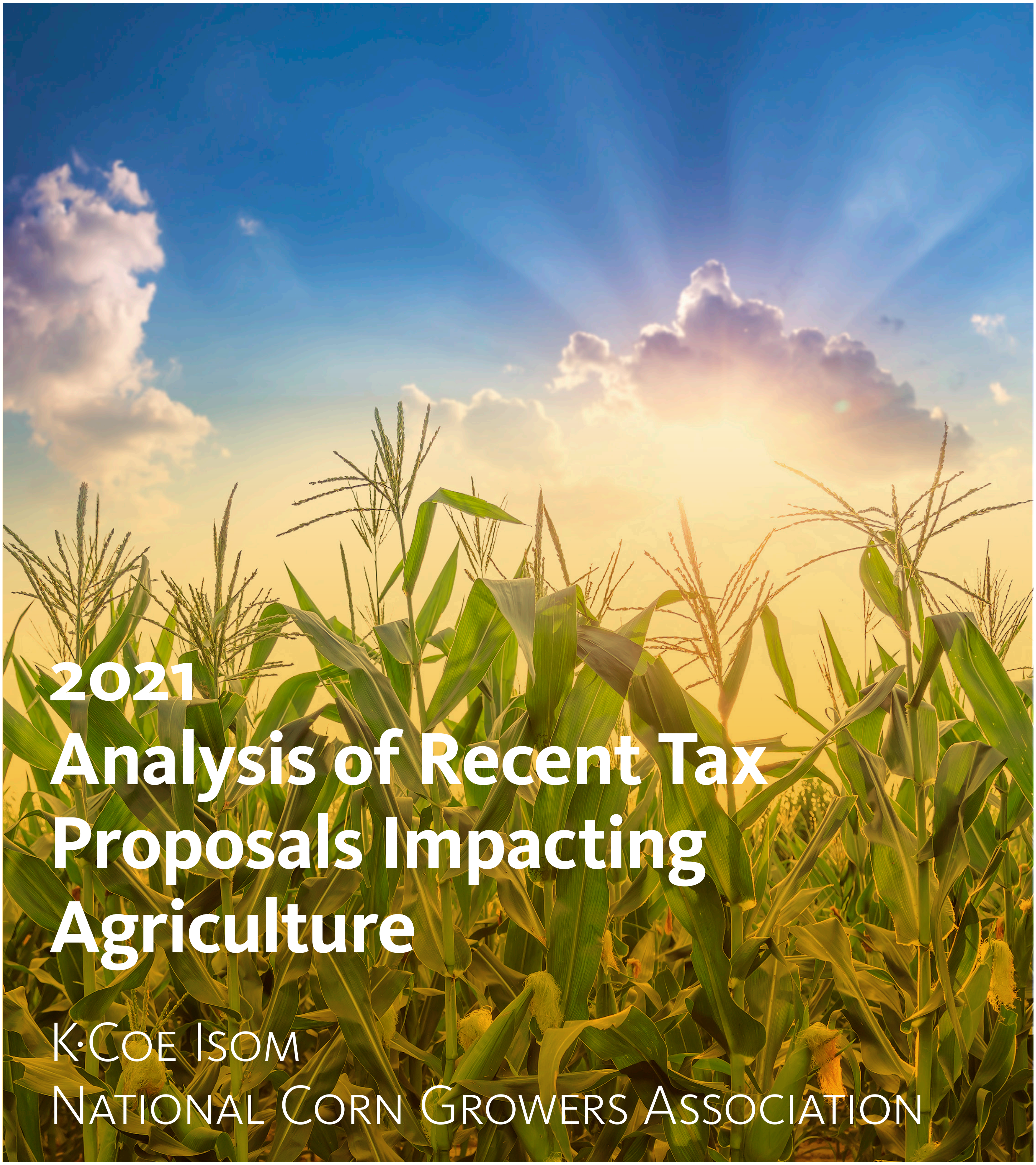


2021
Analysis of Recent Tax Proposals Impacting Agriculture

K·Coe Isom
National Corn Growers Association

K·COE ISOM

NATIONAL CORN GROWERS ASSOCIATION

I. Introduction to K·Coe-NCGA Relationship

In 2015 and 2017, the National Corn Growers Association retained K·Coe Isom, LLP to review congressional tax reform proposals and to provide an assessment of the impact such proposals could have on corn farmers. For these projects, K·Coe Isom worked with NCGA to identify the tax code changes most likely to impact farmers and then quantified the financial impact of each proposal by examining how the proposals would affect the tax obligations of a series of small, medium, and large corn operations over the prior five-year period.

This year, NCGA has retained K·Coe Isom to review the potential impacts of proposed changes to the capital gain taxation rules including:

- Review current proposals and impacts to those involved in agriculture.
- Review potential structures to exempt agriculture or family-owned farms from the proposed rule changes and illustrate the challenges associated with similar current agriculture exemptions.
- Illustrate how agriculture currently uses the "step-up in basis" and how changes to those rules could affect farming operations.
- Provide case studies in relation to proposed changes
    - Format provided so state organizations can modify for their own use (geographic differences related to land values, etc.)

II. Legislative and Political Process

In recent years, some elected officials have increasingly called for a change or elimination of the step-up in basis. In 2015 the Obama administration called it "the single largest capital gains tax loophole" and sought to eliminate step-up in basis with some exceptions designed to protect the middle class and small businesses. The Obama administration's efforts never came to fruition and the Tax Cuts and Jobs Act of 2017 signed into law by President Trump retained step-up in basis.

During the 2020 presidential election, a number of Democratic presidential candidates called for repeal or reform of the step-up in basis. Then-candidate Biden advocated for eliminating the step-up in basis, calling the provision a "trust fund loophole." In 2021, the Biden administration has put forward numerous legislative priorities. The proposed American Families Plan seeks to invest $1.8 trillion in education, health care, and child care. To help pay for these investments, the plan would impose an additional tax on capital gains of more than $1.25 million, or $2.5 million per couple, when combined with existing real estate exemptions for gains on sales of primary residences. The administration has said that family-owned businesses and farms would be exempt from these taxes when family business assets are passed on to qualified heirs who continue to run the business or farm.

On May 28, the Biden administration released its proposed $6 trillion budget for fiscal year 2022. Alongside the release of President Biden's budget proposal, the Department of Treasury has published its "Green Book," comprised of insights into the tax proposals that make up some of the line items of the budget. The Green Book essentially outlines an end to the longstanding capital gains tax-free step-up in basis by treating transfers of appreciated assets upon death as a realization event. While the President's budget proposal has no effect of law, its details can shape conversations going forward.

Changes to capital gains taxation and step-up in basis face a daunting obstacle. Any of the Biden administration's suggested changes to the step-up in basis would need Congressional approval. Republicans have expressed vehement opposition to raising taxes to pay for any of President Biden's proposals. Without Republican support, the Democrats cannot lose even one vote in the Senate and their majority in the House of Representatives is razor thin.

Senate Democrats could advance a bill that includes reform of capital gains taxation or step-up in basis under the budget reconciliation process, allowing the bill to pass with only a simple majority and only Democratic support in the Senate. However, Senator Joe Manchin (D-WV) has stated a strong preference for bipartisan legislation. Additionally, he has continuously voiced unwillingness to remove or reform the filibuster. With the filibuster in place, 60 votes would be needed to pass legislation outside of budget reconciliation.

The current Congressional makeup and dynamics make the prospects for many proposed tax changes difficult. However, there will undoubtedly be months of negotiations and changes prior to any vote in Congress and revisions to current proposals will likely occur. There is always a chance changes to capital gains taxation or step-up in basis are included in a legislative package.

III. Current Law and History

The stepped-up basis rule, estate tax valuation rules, and the capital gain tax regime are closely correlated. When examined as parts of a coherent whole, the sections express Congress's intent that unrealized gain that is taxed to the decedent's estate at their death should not be subjected to another tax when the gain is later realized by the heir or beneficiary.

a. Current Law

When property is sold or exchanged, the Internal Revenue Code ("the Code") requires the seller to recognize gain or loss on the disposition. Only a sale, deemed sale, or exchange can trigger gain recognition. The transfer of assets by gift or bequest is not an event that triggers capital gain taxation.

The amount of gain is the extent to which the amount realized – the amount of money and fair market value of property received – exceeds the seller's adjusted basis. Generally, an individual's basis in property is the amount the taxpayer paid for the property – referred to as "cost basis." The most notable exception to this rule is the "carryover basis" regime: when property is acquired by gift, the recipient steps into the shoes of the donor and takes the donor's basis in the property.

While inheriting property would logically fall within the ordinary use of the word "gift," the Code provides another special set of basis rules for inherited property. Inherited property's basis is equal to the fair market value of the property on the decedent's date of death. The operation of this rule essentially treats receipt of property from a decedent as if it were acquired through a purchase at the property's fair market value.

The law in its current form allows for the basis of property received from a decedent to be adjusted to the fair market value of the property on the decedent's date of death. This will generally result in a "stepped-up" basis to the decedent's heirs or beneficiaries. Paired with the long-established rule that gifts and bequests do not trigger capital gains tax, any built-in gain that existed as of the decedent's date of death passes to heirs free of capital gain and income taxes.

b. History

Federal tax law has always – or practically always – exempted property transferred by gift or bequest from the umbrella of "sale or exchange" that would trigger capital gain recognition. Federal tax law has similarly provided for an adjustment to basis acquired from a decedent since at least 1918. The only substantive changes to this regime in the last century have been to adopt a uniform rule on the fair market valuation date – rather than litigating when property was "received from" a decedent, the 1954 Code adopted the date-of-death standard. The current Internal Revenue Code's language is more or less the same as the language codified in 1954.

In 1976, Congress briefly experimented with a carryover basis regime by temporarily repealing the step-up in basis and instead requiring heirs to take the decedent's basis in property acquired at death. After four years of delays – Congress citing the Internal Revenue Service's challenges attempting to administer the provision and Congressional desire to reconsider the statute – the experiment was repealed shortly after its final effective date. The Senate Committee Reports indicate that a number of estate tax professionals testified that carryover basis would be unduly burdensome to heirs and administrators alike, forming the backbone of the Senate's decision to repeal its carryover basis experiment before it could take effect.

In 2001, Congress adopted an estate tax exemption rule that sunset after 2009, and temporarily repealed the estate tax for deaths that occurred in 2010. For deaths that occurred in 2010, carryover basis was required for inherited property. At the end of 2010, Congress retroactively "fixed" the temporary repeal, and treated the changes to the estate and transfer taxes as if they had never been enacted. Executors had the option to apply either the estate tax or the modified-carryover basis rule to decedents' property. For all years after 2010, the step-up in basis regime was reenacted. While President Obama threatened to eliminate the step-up in basis, the rules have remained untouched since 2010.

IV. Explanation of Administration Proposal

The recently-issued administrative revenue proposal outlines significant change from the historical treatment of income tax basis by transfer through an estate or lifetime gift. The proposal now includes these transfers as "realization events" and imposes capital gains tax on any appreciation of those assets that cumulatively exceed $1 million per taxpayer through lifetime gifts and transfers at death, indexed for inflation after 2022. Any unused lifetime exclusion is "portable" to a surviving spouse, consistent with the existing estate and gift tax portability rules.

If enacted, beginning on January 1, 2022 (or another date set by Congress), capital gain in excess of a $1 million capital gain unified exclusion that is transferred either by death of the taxpayer or through lifetime gifting will be subject to capital gain recognition. Tax basis to the beneficiary will be calculated using the following three rules:

- The recipient's basis in property received by reason of the decedent's death would be the property's fair market value at the decedent's death.
- To the extent the recipient is gifted property during a donor's lifetime that is sheltered by the $1 million cumulative gain exclusion, carryover basis would apply.
- If lifetime gifting exceeded the $1 million exclusion, and capital gains taxes were paid, the beneficiary's basis would be fair market value on the date of transfer.

The fair market value on the date of transfer would be calculated using the methodologies for estate or gift tax purposes, as modified with the four following rules:

- If a partial interest in property is transferred, the value of the partial interest is the proportional share of the fair market value of the entire property; reducing the ability to take minority discounts;
- Transfers into or distributions in kind from a trust, partnership, or other non-corporate entity, other than a revocable grantor trust, would be recognition events;
- The deemed owner of irrevocable grantor trusts recognizes gain on distributions to anyone other than the grantor and his or her spouse, unless made in discharge of an obligation of the owner; and
- For revocable grantor trusts, all asset appreciation will be recognized at the death of the owner or when the trust becomes irrevocable.

There are six exceptions to capital gains recognition under the revenue proposal:

- Transfers to a surviving spouse using the decedent's carry-over basis;
- Transfers to charity and gain recognition would apply for the non-charitable portion when contributed to a split-interest trust;
- Gain on tangible personal property such as household furniture and personal effects, excluding collectibles;
- Continuation of the $250,000 per person capital gain exclusion for a personal residence, with new provisions for surviving spouse portability for a total exclusion per couple of $500,000;
- Qualified small business stock; and
- Family owned and operated businesses would defer tax until it ceases to be family owned and operated (see next section for additional details).

For lifetime gifts in excess of the $1 million exclusion, tax would be due by the donor on the gain transferred on either a gift tax or a separate "capital gains return." If assets are transferred at the death of a taxpayer, taxes will be due and payable on the decedent's estate tax or capital gains return with taxes paid as deductible on the decedent's estate tax return. Capital losses and carry-forwards may be used to offset capital gains income and up to $3,000 of ordinary income on the decedent's final individual income tax return. For capital gains associated with non-liquid assets transferred at death, there will be a 15-year fixed-rate payment plan.

V. Agriculture and Family Business Exemption

The administration's proposals, to date, are significantly lacking in detail. However, there are similarities between the rationale behind the 2032A Special Use Valuation Code section of current law and the family owned and operated business capital gain deferral in the administrative revenue proposal. The goal of both is to minimize or defer taxes on property used in family businesses. The primary differences appear to be the unlimited, in amount and type of capital asset, and perpetual nature of the proposed capital gains exclusion. The current special use valuation rules only apply to real property, and apply only if the estate consists of at least 25% qualified real estate and at least 50% qualified business assets. The capital gain exclusion appears to be applicable to any family and business owned capital property regardless of type or consistency of the estate. Additionally, it appears that there would be no adjusted value calculations associated with the capital gains exclusion, but instead is a full exclusion for all qualifying assets. However, the special use valuation escapes additional taxation indefinitely if there is qualified use by a qualified heir for 10 years following the date of death with a potential 2 year deferral period after the decedent's death – no such gain exclusion timeframe has been proposed to date.

The general requirements to qualify for exclusion under the special use valuation section include:

- Qualified use – property must be used in a trade or business with material participation by the decedent or a family member of the decedent for 5 of the 8 years immediately preceding death, disability, or retirement of the decedent.
- Qualified heir – assets must be transferred to qualifying heirs that includes the decedent's ancestors, spouse, lineal descendants of a parent or spouse, or a spouse of any lineal descendent of a parent or spouse.

There are additional provisions within Section 2032A that consider situations where it may not be possible for qualifying heirs to engage in farm activities to the extent required for typical material participation standards. Congress and the IRS considered this and have addressed the financial harm that may cause these individuals and allows for further exceptions. Surviving spouses, minor children, disabled qualified heir(s), and students or a fiduciary representing any of those individuals are all treated as materially participating when examining whether the property is used for a qualified purpose. In addition, the property continues to be used for a qualified use if the surviving spouse or lineal descendant of the decedent rents the property to another qualified heir who themselves materially participates in the business. The administrative revenue proposal by President Biden is silent on eligibility and qualification requirements related to family owned and operated businesses.

As the alternate valuation provisions of Section 2032A have been around for decades, it gives a good body of case law and agency interpretations to carryover and apply should any legislation, rules, or regulations reference this section as a starting point for the capital gains family owned and operated business exclusion.

a. Complexities and other potential legislative approaches

Besides trying to ensure compliance with all of the Code nuances above, estate tax and generational transitional business planning have increased in complexity over the last decade, even before these capital gain tax proposals. Significant tax-agnostic complexity is caused in party by changing family structure dynamics and ever-increasing asset values required to maintain a sustainable agricultural operation. **Any legislation needs to clarify that the qualifying property definition includes qualifying assets, regardless of how held by the donor or decedent, and would receive capital gains deferral.** It is very common for families and operators in the agricultural sector to use entity and trust structures for equalization among children, generational planning, asset protection, and organizational asset structure. Along with the volatility of the commodity markets, the agricultural industry cannot afford additional setbacks in maintaining an operational size that is sustainable for future generations.

If rules and regulations do not address application of the family owned and operated business capital gains deferral through reference to provisions of the special use valuation Code section, Congress or the IRS could look to other Code sections or draft new governing provisions. Other Code sections to consider that look at the definition of family or related parties include: family attribution pursuant to IRC §318 for constructive ownership of stock and defined members of family; related persons under IRC §267 for deduction of losses disallowed and installment sales; and related party provisions of IRC §672(c) for trust adverse parties. This is outlined as informational only as a possibility, as the application of the special use valuation rules, or some derivative thereof, seems probable based on the similar nature and Congressional intent.

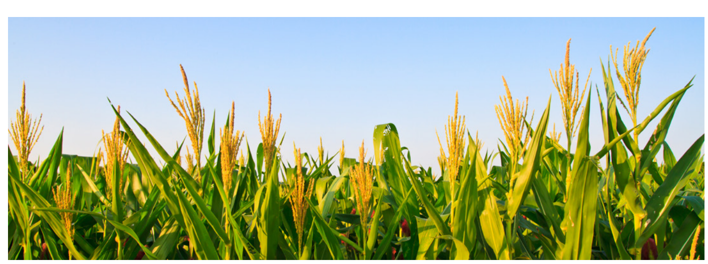
VI. Unanswered Questions

- Will the special use valuation rules' definition for family owned and operated business be used, will the definition be modified, or will Congress draft a wholly new Code section?
- Will USDA's definition of family member, as codified by the 2018 Farm Bill to include nieces, nephews, and first cousins, be considered along with the proposed exemption for family farms?
- Will the $1 million per person exclusion be increased or removed in negotiations? The proposal could significantly and negatively impact middle class families and small business owners.
- Will common agriculture practices, including cash renting or leasing land, trigger the transfer tax? Would the exemption cover farm land that is leased between family members, including siblings and cousins?
- How will the tax treatment different for similar but differently situated multiple heirs (as partially described by case study scenario 2). (Trying to describe one a situation where one family member that will own and operate a portion of the inheritance while a sibling may not be actively engaged.
- How will depreciable business property be taxed?
    - Will depreciation recapture taxed as ordinary gain be subject to the transfer tax?
    - If so, does the recipient of the transferred asset obtain a tax basis equal to its fair market value on date of transfer?
    - If the gain isn't taxed, would it reduce a taxpayer's lifetime exclusion?
- Would annual exclusion gifting be exempt from inclusion from these provisions?
- Can taxpayers elect not to allocate their available lifetime exclusion to a gift?
- Who decides how the lifetime gain exclusion is allocated to assets transferred when the total gain exceeds the threshold amount?
- If qualified use ends and tax is due, if the interests are not sold, at what value is the gain recognized – the date of death value or the date qualified use ends?
    - What if there are multiple transfers between the initial gift or transfer through a decedent's estate and when the property no longer qualifies?
- Will the deferred tax obligation associated with the family owned and operated business exclusion be deductible on the estate tax return of a decedent?
- How will "tangible personal property" be defined? Will personal property used for business purposes fall within the definition and therefore be excluded from gain recognition?
- Could the proposal or the family farm exemption be repealed or increased if the parities in control of Congress change? If that's possible, how should people plan with that political uncertainty in mind?

VII. Impact on Agriculture

The following case studies demonstrate the impact the administration's proposals would have on an corn producer with a family farm operation. In each of the case studies, the capital gains reforms result in a significant increase in taxes. KCoe Isom generally views the proposed reforms as imposing a new and significant tax burden on agricultural operations, most or all of which would have insufficient cash reserves to satisfy.

While extensive negotiations are yet to occur, there are many things for individual producers and farm operations to consider based on the direction and focus of the proposal. If any form of this is incorporated into final legislation accelerating gifting in some capacity will be a priority. Estate and gift plans should be reviewed as soon as possible to ensure professionals have the resources to complete before legislation takes effect as strategies generally take months to fully implement.



Case Study 1: Family Operation, $10 Million Net Worth

Father and Mother have a 2,500 acre family farm. Their real estate is currently worth $7.5 million; they paid $2.5 million for it. The farm also owns fully-depreciated farm equipment worth $1 million, farm buildings and improvements with a value of $750,000 and tax basis (net of depreciation) of $250,000, raised grain inventory of $500,000, and a personal residence valued at $250,000 with a tax basis of $50,000.

The family's balance sheet is as follows:

Assets	FMV	Tax Basis	Potential Gain
Real estate – 2,500 ac.	$7,500,000	$2,500,000	$5,000,000
Equipment (net of depreciation)	$1,000,000	-	$1,000,000
Buildings and improvements	$750,000	$250,000	$500,000
Grain inventory	$500,000	-	$500,000
Personal residence	$250,000	$50,000	$200,000
Total	$10,000,000	$2,800,000	$7,200,000

The couple is nearing retirement and have three children. Two children have moved off the farm and have other occupations. Their third child and her husband are working on the family farm. The parents would like to transition management and ownership of the farming equipment, farm buildings and improvements to their daughter and son-in-law during their lifetime. Upon the parents' deaths, they would like to transfer joint ownership of all the farm real estate to be shared between all three children.

Current Law

Under current law, the parents will recognize a total gain of $500,000, and pay federal income tax on the gain of $185,000. Total tax impacts after transfers to children and after the death of both parents is calculated below:

Assets	FMV	Basis	Gain Recognized	Tax Rate	Tax Liability
Real estate – 2,500 ac.	$7,500,000	$7,500,000	-	-	-
Equipment (net of depreciation)	$1,000,000	-	-	-	-
Buildings and improvements	$750,000	$250,000	-	-	-
Grain inventory	$500,000	-	$500,000	37%[1]	$185,000
Personal residence	$250,000	$250,000	-	-	-
Total	$10,000,000	$8,000,000	$500,000		$185,000

1 The sale of inventory is subject to ordinary income tax rates.

Proposed Changes

If the proposed changes are enacted, the parents will recognize a total gain of $4,000,000, and pay federal income tax on the gain of $1,584,000. The net increase in tax is nearly $1.4 million. Total tax impacts after transfers to children and after the death of both parents is calculated below:

Assets	FMV	Beginning Basis	Less: exclusions	Gain Recognized	Heirs' Tax Basis	Tax Rate	Tax Liability
Real estate – 2,500 ac.	$7,500,000	$2,500,000	($1,500,000)	$3,500,000	$7,500,000	39.6%	$1,386,000
Equipment (net)	$1,000,000	-	($1,000,000)[2]	-	-	-	-
Buildings and improv.	$750,000	$250,000	($500,000)	-	$250,000[3]	-	-
Grain inventory	$500,000	-	-	$500,000	n/a[4]	39.6%	$198,000
Personal residence	$250,000	$50,000	($200,000)[5]	-	$250,000	-	-
Total	$10,000,000	$2,300,000	-	$500,000	$8,000,000	-	$1,584,000

2 Gain is assumed to be excluded under the administration's "personal property" exception.

3 Under current law, basis to recipients of gifts is the donor's basis, increased to fair market value only if gift tax is paid. For purposes of this study, we assume treatment is consistent.

4 This case study assumes that gain is recognized on the sale of grain inventory during the normal course of business.

5 The personal residence exclusion applies and shelters gain on the sale or deemed sale of a personal residence.

Case Study 2: Family Operation, $40.5 Million Net Worth

Father and Mother have a 5,000 acre family farm. Their real estate has a current value of $40 million and a cost basis of $10 million. The parents have remaining debt obligations mortgaged against the real estate of $8.5 million. In addition, the operation owns farm equipment worth $3 million with $750,000 of remaining tax basis after depreciation, farm buildings and improvements with a value of $2.5 million and tax basis of $800,000, raised grain and livestock inventory of $1 million, breeding livestock worth $2 million with a $750,000 tax basis and a personal residence valued at $500,000 with a $100,000 tax basis. The family's balance sheet is as follows:

Assets	FMV	Tax Basis	Potential Gain
Real estate – 5,000 acres	$40,000,00	$10,000,000	$30,000,000
Equipment (net of depreciation)	$3,000,000	$750,000	$2,250,000
Buildings and improvements	$2,500,000	$800,000	$1,700,000
Grain inventory and raised livestock	$1,000,000	-	$1,000,000
Breeding livestock	$2,000,000	$750,000	$1,250,000
Personal residence	$500,000	$100,000	$400,000
Total	$49,000,000	$12,400,000	$36,600,000

The couple is retired and have two children, a son-in-law, a daughter-in-law, and grandchildren who currently work on the family farm with no ownership stake (the "on-farm" family members). The couple also have another son and daughter that are not involved with the operation and have no intention of being actively involved in the family farm in the future; however, the couple would like them to receive a proportionate share of their accumulated wealth. The on-farm family members would like to transition into ownership of the family farm, but do not have the necessary sources of capital to purchase an ownership stake.

The parents would like to gift ownership of all non-real estate farming assets to their on-farm children. They would also like to gift a similar amount of farm real estate to the off-farm children with the understanding that the land would be cash leased back to their siblings' farming operation and not sold for at least 20 years. The remaining farm real estate and related mortgage debt will be retained by the parents to provide retirement income during their lifetimes. Upon the deaths of the parents, all remaining assets will be held in a trust for the benefit of their four children and respective families throughout their respective lifetimes.

What is the estimated tax, financial and other impacts on this situation under current and proposed tax legislation?

Current Law

Under current law, the parents will recognize a total gain of $1,000,000, and pay federal income tax on the gain of $370,000. The parents also ultimately have a federal taxable estate of $17,100,000 and estate tax liability of $6,840,000. The family's total income and estate tax liability is $7.2 million. Total tax impacts after transfers to children and after the death of both parents is calculated below:

Assets	FMV	Basis [1]	Gain Recognized	Tax Rate	Tax Liability
Real estate – 5,000 ac.	$40,000,000	$33,625,000	-	-	-
Equipment (net of depreciation)	$3,000,000	$750,000	-	-	-
Buildings and improvements	$2,500,000	$800,000	-	-	-
Raised grain and livestock	$1,000,000	-	$1,000,000	37%[2]	$370,000
Breeding livestock	$2,000,000	$750,000	-	-	-
Personal residence	$500,000	$500,000	-	-	-
Total	**$49,000,000**	**$36,425,000**	**$1,000,000**		**$370,000**
Less: Mortgages	($8,500,000)				
Net worth subject to estate tax	$40,500,000				
Less: Estate tax exclusions	($23,400,000)				
Taxable estate	$17,100,000				
Estate tax liability at 40%	$6,840,000				$6,840,000
Total tax liability					$7,210,000

1 Property gifted during the parents' lifetimes receives carry-over basis.

2 The sale of inventory is subject to ordinary income tax rates.

Proposed Changes

If the proposed changes are enacted and presuming transfers during lifetime do not qualify for the family owned and operated exception, the parents will recognize a total gain of $30,700,000, and pay federal income and capital gain tax of $12,157,200. The parents still have a federal taxable estate of $17,100,000 and will pay estate tax of $6,840,000. The family's total capital gain and estate tax liability is nearly $19 million, for a total tax increase of nearly $12 million. Total tax impacts after transfers to children and after the death of both parents is calculated below:

Assets	FMV	Beginning Basis	Less: exclusions	Gain Recognized	Heirs' Tax Basis	Tax Rate	Tax Liability
Real estate – 5,000 ac.	$40,000,000	$10,000,000	($300,000)	$29,700,000	$39,700,000	39.6%	$11,761,200
Equipment (net)	$3,000,000	$750,000	($2,250,000)[3]	-	$750,000 [4]	-	-
Buildings and improv.	$2,500,000	$800,000	($1,700,000)	-	$800,000[5]	-	-
Raised grain and livestock	$1,000,000	-	-	$1,000,000	n/a [6]	39.6%	$396,000
Breeding livestock	$2,000,000	$750,000	($1,250,000)	-	$750,000	-	-
Personal residence	$500,000	$100,000	($400,000) [7]	-	$500,000	-	-
Total	**$49,000,000**	**$2,300,000**	**($5,900,000)**	**$30,700,000**	**$42,500,000**		**$12,157,200**
Less: Mortgages	($8,500,000)						
Net worth subject to estate tax	$40,500,000						
Less: Estate tax exclusions	($23,400,000)						
Taxable estate	$17,100,000[8]						
Estate tax liability at 40%	$6,840,000						$6,840,000
Total tax liability							**$18,997,200**

3 Gain is assumed to be excluded under the administration's "personal property" exception.

4 No step-up in basis received upon gift when lifetime exclusion is used.

5 Under current law, basis to recipients of gifts is the donor's basis, increased to fair market value only if gift tax is paid. For purposes of this study, we assume treatment is consistent.

6 This case study assumes that gain is recognized on the sale of grain inventory during the normal course of business.

7 The personal residence exclusion applies and shelters gain on the sale or deemed sale of a personal residence.

8 An additional deduction for tax imposed on gains realized at death would be deductible on the estate tax return that has not been accounted for in this example. It is unknown how this deduction would apply for contingent tax obligations under the family owned and operated exclusion.

K·COE
ISOM

1-800-461-4702 | kcoe.com