

New York Trust University



Chapter 14 Trust:

A few years back the Tax code allowed for tax- free transfers of assets in intra-family matters.

Of course, this became abusive and IRS stepped in and re-wrote Chapter 14 to eliminate all these methods of tax- free transfers.

In doing so, the language specified that such transfer among parents and children, brothers and sisters, grandparents and grand children and every other imaginable combination of family. However, they never included language for spouses of which many states recognize gay relationships, as spousal.

Thus, these large asset transfers are allowed in these relationships only, as Congress has never bothered to re-write the laws.

While we will not go into the specifics, we can relate that these trusts, on average, earn brokers some \$75,000 on a single case.