

Protection from Estate Taxes

Trusts are commonly used to provide protection from estate taxes. This is a consideration if you find yourself with a few million dollars or more in estate value. The IRS and some states will impose a tax on estates above this range. This is called an estate tax.

To reduce this tax, the Safe Harbor Trust can include legal language that sets aside half of the estate when the first spouse dies, keeping the taxable estate below the threshold of estate taxes. This can help to maintain your legacy, keeping your loved ones from having to sell off businesses or real estate to satisfy an estate tax after you've passed away.