ALPERIN LAW
500 Viking Dr Ste 202
Virginia Beach, VA 23452-7487

January 2024 Issue

See Inside for:

OFFICE LOCATIONS

Multiple office locations for your convenience.

Virginia Beach (Main Office)
500 Viking Drive, Suite 202

Norfolk Office
319 W. 21st St., Suite B

Suffolk Office
3345 Bridge Road, Suite 916

Phone: 757-530-7011
Fax: 757-233-3600

UPCOMING SEMINARS & WEBINARS

IN-PERSON SEMINARS

Why Wills are Obsolete

Tuesday, February 6th at 2:00pm

Plan Now to Protect Your Loved Ones

Wednesday, February 14th at 2:00pm

SCAN ME

ONLINE WEBINARS

Why Wills are Obsolete

Wednesday, February 21st at 2:00pm

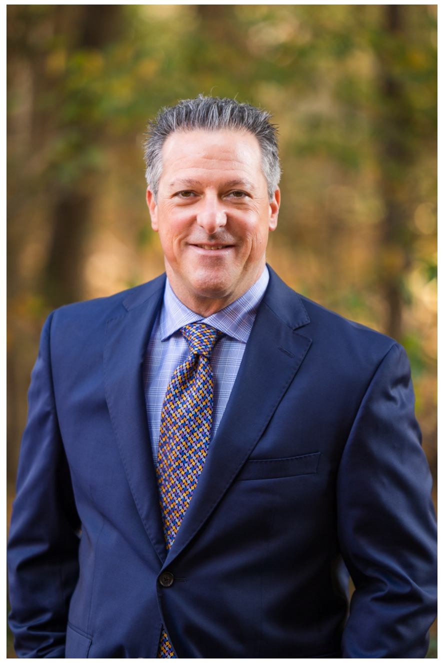
Plan Now to Protect Your Loved Ones

Thursday, February 29th at 10:00am

SCAN ME

Give us a call!
757-530-7011
www.alperinlaw.com
Hours: 9:00-5:00 M-Th, 9:00-12:00 F

2024 Recognitions



This year, Alperin Law is proud to share that Scott Alperin has received special recognition for being one of the top lawyers in Hampton Roads by several different organizations.

Scott was named on Coastal Virginia's Top Lawyers of 2024 list in CoVaBiz, the Business Magazine of Coastal Virginia.

Scott has also been selected for the 2024 Virginia Super Lawyers list. This is a prestigious distinction that only the top 5% of attorneys in Virginia receive.

Additionally, Scott has been recognized by Virginia Business Legal Elite as one of Virginia's top attorneys.

We are honored and humbled to have earned these prestigious awards.

Super Lawyers | THE Business Magazine of Coastal Virginia CoVaBIZ | LEGAL ELITE

How the Corporate Transparency Act May Affect Your Estate Plan

Starting on **January 1, 2024**, under a new law called the Corporate Transparency Act (CTA), owners of certain business entities must file a report with the federal government including details regarding the ownership of their entity. The CTA was enacted to help combat money laundering, financing of terrorism, tax fraud, and other illegal acts. If you have an entity (corporation, limited liability company, family limited partnership, etc.) as part of your existing estate plan, this is important information you will need to know to ensure that you comply with the new law.

What is the Corporate Transparency Act?
The CTA is a law that requires business entities it identifies as reporting companies to disclose certain information about the company and its owners to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Under the CTA, a reporting company is defined as a corporation, limited liability company (LLC), or other similar entity (i) created by filing a document with the secretary of state or a similar office under the laws of a state or Indian tribe or (ii) formed under the laws of a foreign country and registered to do business in the United States.[1] The following information about the reporting company must be included in the report[2]:

- company's legal name and any trade names or doing business as (d/b/a) name
- street address of the principal place of business
- jurisdiction where the business was formed
- tax identification number

Additionally, the reporting company must provide the following information to FinCEN about its beneficial owners, defined as persons who hold significant equity (25 percent or more ownership interest) in the reporting company or who exercise substantial control over the reporting company[3]:

- full legal name
- date of birth
- current address
- unique identification number from an acceptable identification document

For reporting companies created on or after January 1, 2024, the same information must be provided about the company's applicant, who is the person that files the creation documents for the reporting entity.

Note: Although a trust is not considered to be a reporting company under the CTA, if your trust owns an interest in a reporting company, such as an LLC, certain information about your trust may also have to be disclosed under the CTA because it may be deemed to be a beneficial owner.

Does the CTA impact you?
Many business regulations apply only to large businesses, but the CTA specifically targets smaller entities. If you own a small business, you may be subject to this act unless your business falls under one of the stated exemptions, which primarily apply to industries that are already heavily regulated and have their own reporting requirements. Your business may also be exempt from the reporting requirements if it employs more than 20 full-time employees, filed a return showing more than $5 million in gross receipts or sales, and has a physical office located within the United States.[4]

Complying with the requirements of the CTA is of the utmost importance if you own a business entity or have one as part of your estate plan. We routinely create entities that might qualify as reporting companies as part of our clients' estate plans. These include LLCs and family limited partnerships.

Limited Liability Companies
An LLC is a business structure that can own many types of accounts and property. These entities can be used to provide asset protection and probate avoidance.

Asset Protection
Because an LLC is a separate legal entity from its members, the LLC's creditors can typically recover only business debts from the LLC's money and property, not the member's personal accounts or property. Also, if the proper formalities are in place, the member's personal creditors may not be able to reach the LLC's accounts and property to satisfy the member's personal debts.

Note: In some states, a single-member LLC does not enjoy the same protection from the member's personal creditors. The rationale of these laws is that your creditors should be able to recover your personal debts through your LLC interests to satisfy their claims because there are no other members that will be negatively impacted by the seizure of money and property owned by the LLC.

Probate Avoidance
Anything that is owned by the LLC—retitled into the name of the LLC during your lifetime, bought by the LLC, or transferred by operation of law at your death—will not go through the public, costly, and time-consuming probate process. The probate process only transfers accounts and property that you owned at your death. By using an LLC to own accounts and property, the LLC—not you—owns them. However, if you own the membership interest in your own name, the transfer of the membership interest at your death may still need to go through the probate process.

Family Limited Partnerships
A family limited partnership (FLP) is an entity owned by two or more family members, created to hold the accounts, properties, or businesses that were contributed by one or more of the family members. An FLP has at least one general partner who is responsible for the management of the partnership, has unlimited liability, and is compensated by the partnership for their work according to the partnership agreement. An FLP also has one or more limited partners who are permitted to vote on the partnership agreement but are not authorized to manage the partnership. The limited partners receive the income and profits of the partnership but have no personal liability for the partnership's debts or obligations.

Asset Protection
This estate planning strategy is useful because an FLP can help protect accounts, properties, and businesses held by the entity from your and your family's creditors, because those items are not owned by you and your family as individuals but instead are owned by the entity. If a creditor obtains a judgment against you or your family for a claim not related to the FLP, it is more difficult for the creditor to access anything that the FLP owns to satisfy that claim.

Tax Planning
Also, because of its lack of control and restrictions on selling a partnership interest, the value of a limited partnership interest that you give to a family member can be discounted, allowing you to maximize your annual gift tax exclusion and lifetime estate and gift tax exemptions.

What do you have to do to comply with the CTA?
In order to comply with the act, you should gather the required information for all reporting companies you own and all other beneficial owners. For entities created before January 1, 2024, submit the initial reports for each reporting company by January 1, 2025. For entities created on or after January 1, 2024 and before January 1, 2025, submit the initial reports within 90 days of the entity's creation. Entities created on or after January 1, 2025, will have 30 days to submit the reports.

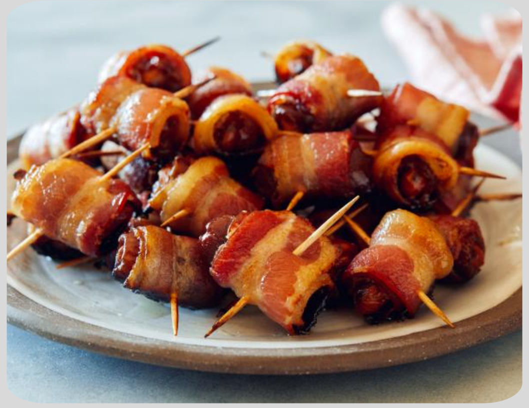
Having a business entity as part of your estate plan can be an excellent tool depending on your unique situation. If you currently have one of these entities or are considering forming one, please reach out to us to discuss next steps to ensure that you fully comply with the requirements of the CTA. Give us a call to schedule an appointment.

[1] 31 U.S.C. § 5336(a)(11).
[2] 31 C.F.R. § 1010.380(b)(1)(i).
[3] 31 U.S.C. § 5336(b)(2)(A).
[4] Id. § 5336(a)(11)(B)(xxi).

Recipe: Bacon-Wrapped Dates (All Recipes)

Ingredients

- 1 pound pitted dates
- 4 ounces blue cheese
- 1 pound sliced bacon, cut in half



Directions

Step 1:
Preheat the oven to 375 degrees F (190 degrees C).

Step 2:
Slice dates in half and open them up. Pinch off pieces of blue cheese and place them into the center of dates. Press date halves together to close. Wrap each date with a half-slice of bacon and secure with a toothpick. Arrange in a baking dish or on a baking sheet with sides to catch any grease.

Step 3:
Bake in the preheated oven until bacon is crisp, 30 to 40 minutes. Turn dates over after the first 20 minutes for even cooking.