

# Two Minute Legal Update

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## The Rock You Stand On

Some clients have suggested that they want to wait and see what new tax laws arise from Washington before re-visiting their estate plans. They may hope that Congress will save them from planning (for their loved ones!), and perhaps afford time for other pursuits.

Of course, few people really believe Congress will ride to their rescue. While the estate tax exemption is set to rise to \$2 million in 2006 for each of

us, there was plenty of talk of the exemption being increased to some multiple of that figure. That talk was blown away by the winds and waters of Hurricane Katrina, Iraq, Afghanistan, the highway bill, the drug bill, and pressure to eliminate the alternative minimum tax.

Fewer than 70,000 people in America filed an estate tax return last year. So while the United States has an estate tax, it impacts very few voters. Many people realize that, so they choose inaction over planning. They simply stand on the rock they find themselves, and do nothing.

Regrettably, this is when they are most vulnerable. The IRS loves inertia and inaction. The tennis pro that remarries your spouse

## Quips and Quotes

"Action is character."

—F. Scott Fitzgerald

will be delighted in the inaction. The creditors that file suit against the children, taking away their inheritance, applaud parents' failure to plan.

And how about the son-in-law or daughter-in-law that seemed like such a nice person? They may be the unintended beneficiaries of an estate that was not planned or not kept current.

Recognize that Congress will not ride to your rescue — even if it does revise the exemption or lower rates. Who really thinks that will be the end of the issue; those numbers will always be modified and adjusted, as they have been since just after the American Revolution.

Almost without exception, you can improve your position and better protect your family, health, and wealth by getting off the rock you stand on and moving forward with estate planning.



Standing on Mt. Elbert, the highest mountain in Colorado at 14,433 feet, are Alex Paul, Rob Held, Lou Harrison, and Bob Napier.