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clusion with joint tenancy property. The Seventh Circuit in *Glaser* and the Tenth Circuit in *Heasty* agreed that I.R.C. § 2040 on taxation of joint tenancy property applies only to property held at death.

**Effect of successive life estates on the basis.** As for the successive life estates, following the termination of the retained life estates, the deaths of those holders of the granted life estate would not affect the income tax basis of the property. Granted life estates are not included in the gross estate of the holder or holders and, therefore, do not affect the basis. Of course, this assumes no depreciable property which would add another complication.

**Federal gift tax concerns**

If successive life estates are set up during the lifetime of the original owner or owners, the life estates following the retained life estates would almost certainly have encountered federal gift tax requirements for gifts of future interests. A gift of a life estate interest in property to commence at a future time would be considered a future interest. Therefore, the federal gift tax annual exclusion would not have been available to cover or to help to cover the transfer.

**The rule against perpetuities**

In those states that have not repealed the Rule Against Perpetuities, successive life estates can violate the rule just as surely as would life estates in trust. Indeed, the original litigation, *The Duke of Norfolk's Case*, involved successive life estates. This issue, for situations dating back several decades, is most likely to be raised, if at all, in connection with a title examination (or by unhappy heirs). Basically, the Rule provides that no interest in real estate is good unless it must vest, if at all, not later than 21 years after some specified life or lives in being at the creation of the interest. A slightly different rule applies in states that have adopted the Uniform Statutory Rule Against Perpetuities (USRAP).

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**Improvements to ag decision maker**

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Changes to the Ag Decision Maker (AgDM) website and publications have recently been made to better meet the needs of our users. The print version of AgDM will remain the same, but website updates of Information Files and Decision Tools will switch to a bi-monthly format.

The Ag Decision Maker newsletter with Information File and Decision Tool updates will now be posted the middle of each month. The first week of each month another update will be done to include more Ag Decision Maker updates, as well as the Iowa Farm Outlook newsletter and the Ag Marketing Resource Center's Renewable Energy newsletter. Notification of these

updates is free and sign-up is available by e-mailing [agdm@iastate.edu](mailto:agdm@iastate.edu) or through the Notification web page at: <http://www.extension.iastate.edu/agdm/notify.html>.

A blog has also been created to answer frequently asked questions from clients. The blog will be updated several times a week with answers, upcoming events, and other resources on Iowa farm management and outlook for making well informed ag decisions. The address for viewing the blog is: <http://blogs.extension.iastate.edu/agdm/>.