Captive Insurance And The IRS Settlement Initiative In Perspective

October 4, 2019
Leimberg Webinar Services

The IRS's 831(b) settlement offer has been described as a 'Christmas came early this year' sweetheart deal for the taxpayers who have been lucky enough to receive it. The deal allows clients to cut their losses and get out of abusive risk-pooled 831(b) captive arrangements with a relatively minimum of pain. The offer is, however, full of complexities and nuances unique to captive insurance planning, and taxpayers who do accept this offer should utilize experienced counsel to assist them in the process.

The best way to understand this important development is to join Jay Adkisson and David Neufeld in their exclusive LISI webinar where they review all of the the benefits and pain points in this offer, including the following:

- Whether a taxpayer lucky enough to be the recipient this offer should accept, and how they can accept;
- How to treat the (now) non-deductible insurance payments as income to the captive;
- How to handle the 10% of the deduction taken by the operating businesses for insurance payments to the captive;
- For offshore captives, avoidance of substantial penalties if the § 953(d) election is invalidated;
- The 40% non-disclosure of non-economic substance penalty, the 20% accuracy-related penalty and future legal tax-defense fees and expenses;
- How to handle the give-up of the 90% of the deductions by the operating businesses for insurance payments to the captive, as well as any federal gift tax avoidance benefits of the captive arrangement;
- How to treat the 10% accuracy-related penalty;
- Dealing with the immediate liquidation of the captive and/or the making of a deemed qualified dividend, without being able to obtain credit for the insurance payments to the captive or any captive management fees paid to the promoter;
- How to work out the federal gift tax consequences of accepting this offer (or not), draft the federal gift tax return that may be required by the terms of this offer, and make sure that the client has the funds available to pay these taxes if the lifetime credit will not be used or is unavailable because it has already been used up; and
- Cooperating in providing information to the IRS and sitting for an interview by IRS personnel without the benefit of representation.

Date and Time

Friday, October 4, 2019
3:00 p.m. - 4:00 p.m. Eastern

Speakers

- **David Neufeld**, Shareholder, Flaster Greenberg PC
- **Jay Adkisson**, Partner, Riser Adkisson LLP

Cost

$149

For more information or to register, click here.

ATTORNEYS MENTIONED

David Neufeld