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2021 OCTOBER 25-27



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The Southern Federal Tax Institute maintains its proud tradition of excellence in continuing education by offering its annual Institute. This program provides high quality, in-depth coverage of recent developments and cutting-edge topics in tax and estate planning.

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PRESIDENT'S LETTER



Dear Colleagues,

On behalf of the Trustees of the Southern Federal Tax Institute ("SFTI"), you are invited to join us again virtually this year for the 56th Annual Institute on Monday, October 25th through Wednesday, October 27th. Although we will miss gathering in person this fall, SFTI has assembled some of the finest speakers in the country to present timely topics by video conference.

The three-day Institute includes 16 topics presented by leading tax and estate planning practitioners and scholars, including in depth analysis and practical planning strategies for possible new income tax legislation and other current developments. Other topics on Monday and Tuesday include partnership tax planning, S corporations, international taxation and tax planning for real estate. Wednesday's estate planning topics include basis and S Corporation planning and the tax and practical aspects of decanting irrevocable trusts. The Institute concludes on Wednesday afternoon with a review of the possible changes to the estate and gift tax system, along with our annual estate and gift planning current developments presentation.

We hope you will join us for the 56th Annual Southern Federal Tax Institute, and look forward to seeing you again in person in Atlanta in 2022!

A handwritten signature in black ink, appearing to read "Alan F. Rothschild, Jr.".

Alan F. Rothschild, Jr.
President
Southern Federal Tax Institute

INCOME TAXATION AND CORPORATE TAXATION

MONDAY MORNING, OCTOBER 25, 2021

Presiding Trustee: Alan F. Rothschild, Jr., Page, Scramton, Sprouse, Tucker & Ford, P.C., Columbus, Georgia

- 8:30-10:30 **Recent Federal Income Tax Developments** — This session highlights significant changes affecting taxpayers over the past twelve months, including court decisions, rulings, and statutory and regulatory developments.
Bruce A. McGovern, Professor of Law, South Texas College of Law, Houston, TX
Cassady V. “Cass” Brewer, Associate Professor of Law, Georgia State University College of Law, Atlanta, GA
- 10:40-11:40 **The 2021 Legislative Landscape: Evaluating Actual and Potential Changes** — The prospects for significant tax changes, particularly tax increases, increased dramatically with the inauguration of President Biden and the shift in effective control of the United States Senate. President Biden proposed a host of individual and business tax changes during his campaign which may be used to fund his policy initiatives. This presentation will address the legislative changes that have been enacted by the time of the Institute, while considering what significant changes remain on the horizon.
Russell W. Sullivan, Brownstein Hyatt Farber Schreck, LLP, Washington, DC
Marc J. Gerson, Miller & Chevalier Chartered, Washington, DC

MONDAY AFTERNOON, OCTOBER 25, 2021

Presiding Trustee: R. David Wheat, Kirkland & Ellis LLP, Houston, Texas

- 1:00-2:00 **What is a “Trade or Business” and When Does it Matter?** — The “trade or business” concept has taken on increasing importance with the blizzard of recent statutory changes. Practitioners must understand the subtleties of the trade or business concept in applying the Section 199A qualified business income deduction, the Section 163(j) interest deduction limitation, the Section 1061 carried interest rules, the Section 461(l) excess business loss limitation rules, and the rules relating to qualified opportunity zones, to name just a few. This session analyzes the meaning of “trade or business” under these and other Code provisions, with particular emphasis on when real estate activities constitute a trade or business.
Jon Finkelstein, KPMG LLP, Washington, DC
- 2:10-3:10 **Transactions Involving S Corporations: Relevant Rules, the Impact of Tax Reform and COVID Relief, and Potential Changes on the Horizon** — TCJA changed certain key dynamics in M&A, such as the dramatic reduction in the corporate tax rate, the availability of 100% bonus depreciation, and the impact of new NOL rules. More subtle changes, such as the new limit on deducting business interest, also impact how corporate acquisitions are structured. And yet, many rules remain the same. An eye also must be kept on how the overall calculus may have changed with post-TCJA COVID relief acts and how it might change further with potential legislative reforms under the Biden administration. This presentation will review what remains the same, what has changed, and what may still change in relation to planning M&A deals involving S corporations.
Aaron P. Nocjar, Steptoe & Johnson LLP, Washington DC
- 3:20-4:20 **Rep and Warranty Insurance in Purchase and Sale Transactions** — The use of rep and warranty insurance in purchase and sale transactions has skyrocketed in the past five years. This session will explain how this insurance works in practice (for both tax and non-tax risks) while also reviewing the latest guidance on how the proceeds and premiums are taxed under current law.
David S. Peck, Vinson & Elkins LLP, Dallas, TX



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PARTNERSHIP, INTERNATIONAL, EMPLOYEE BENEFITS, CONTROVERSY AND TAX ACCOUNTING

TUESDAY MORNING, OCTOBER 26, 2021

Presiding Trustee: James B. Sowell, KPMG LLP, Washington, DC

- 8:30-9:30 **Hot Topics in Partnership and Real Estate Taxation** — This presentation covers recent developments in partnership and real estate taxation, including the final regulations under the Section 1061 carried interest rules, certain final regulations under Section 163(j), the final regulations issued under Section 1031, an update on opportunity zone guidance, and a brief discussion of issues concerning when partnerships are considered to terminate or continue for tax purposes in various transactional contexts following the repeal of the technical termination rule.
Adam S. Feuerstein, PricewaterhouseCoopers LLP, McLean, VA
- 9:40-10:40 **Partnership Debt Allocations in the New “Risk of Loss” World** — The debt allocation rules for partnerships and partners changed significantly in October 2019 when final regulations were issued under Sections 752 and 707. This presentation examines the new economic risk of loss regulations and potential strategies that remain for allocating debt disproportionately to a partner, including “vertical slice” guarantees, structuring deficit restoration obligations, and transition rules for existing partner payment obligations. The presentation also reviews the revised ground rules for allocating partnership liabilities under the disguised sale rules.
Sarah Ritchey Haradon, Holland & Hart LLP, Denver, CO
- 10:50-11:50 **The Still Evolving International Tax Regime: What the General Tax Practitioner Needs to Know** — When are earnings of a non-U.S. subsidiary subject to tax in the U.S.? Are foreign source U.S. earnings taxed at 21%, 13.125% or 0% for U.S. corporations? The dialogue around international tax in the U.S. continues to evolve and the answer to both of these questions will be different for each U.S. taxpayer. This program will describe highlights that you need to know about the international tax regimes including GILTI, FDII, BEAT, foreign tax credits, and interest expense limitations. It will also discuss other significant proposed and enacted law changes (including the CARES Act), new regulations, and updates to reporting requirements.
Aaron Topol, Ernst & Young, Atlanta, GA

TUESDAY AFTERNOON, OCTOBER 26, 2021

Presiding Trustee: Michael A. Laing, Taft, Stettinius & Hollister LLP, Cincinnati, OH

- 1:00-2:00 **The Effect of Recent Changes on Employee Benefit Plans and Executive Compensation Arrangements** — As a result of recent legislative changes and administrative guidance, employee benefit plans have been given the opportunity to increase their ability to provide benefits to participants, and the government has provided temporary relief to these plans to assist in their administration and continued compliance with applicable law. The presentation will discuss these opportunities and the reliefs. In addition, this presentation will address how recent legislative and regulatory developments have affected executive compensation arrangements.
Robert Neis, Deloitte Tax LLP, Washington, DC
- 2:10-3:10 **When Avoidance Crosses the Line: Criminal Investigation of Abusive Tax Schemes** — The IRS has ramped up its efforts to combat abusive tax schemes. Enhanced coordination and collaboration is providing IRS personnel with the tools and training to identify promoters, investors, and professional enablers, and to pursue civil examinations, promoter investigations and, where warranted, criminal investigations. Individuals and entities caught in this web are battling on multiple fronts and frequently dealing with government agencies pursuing different objectives and seeking divergent resolutions. This presentation will review the current enforcement landscape with respect to syndicated conservation easements and micro-captive insurance companies, the need to avoid conflicts, best practices for protecting privileges, responding to multiple requests for documents and information, managing public perception, defending criminal allegations, and more.
Caroline D. Ciraolo, Kostelanetz & Fink, LLP, Washington, DC
- 3:20-4:20 **Recent Developments in Tax Methods of Accounting** — The TJCA ushered in significant changes in the rules for revenue recognition under Section 451(b) and (c) and bonus depreciation under Section 168(k). Final regulations have been released at last. This presentation will address common issues and opportunities for businesses under the new revenue recognition and bonus depreciation rules and application of the final regulations. The presentation will also cover the procedures under which taxpayers can make a change in method of accounting to implement the final regulations.
Mary Duffy, Andersen Tax LLC, Washington, DC

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ESTATE PLANNING

WEDNESDAY MORNING, OCTOBER 27, 2021

Presiding Trustee: Farhad Aghdami, Williams Mullen, Richmond, VA

- 8:30-9:30 **S Corporation Basics for Estate Planners** — This presentation addresses estate planning issues and current developments in estate planning for owners of S corporation stock, focusing on drafting tips for ensuring that trusts qualify as S corporation shareholders, timelines for making elections for S corporation trusts and relief for failure to comply with those timelines, and the income tax implications of various S trust elections (including changes implemented as part of the TCJA).
Karen Sandler Steinert, Fredrikson & Byron, P.A., Minneapolis, MN
- 9:40-10:40 **Change of Circumstances, Change of Trust: The Rules and Pitfalls of Decanting** — You plan for what you know, and over time, what you know changes. How can you change an irrevocable trust to account for these changes? In recent years, decanting has become one of the preferred methods. It allows a trustee to alter a trust so that the settlor's material purposes can be carried out in the best way possible under current circumstances. Over half of the states now have statutes permitting trust decanting in some form. This program will cover the rules and pitfalls of decanting, including tax consequences.
Amy K. Kanyuk, McDonald & Kanyuk, PLLC, Concord, NH
- 10:50-11:50 **Basis Bonanza: Dealing with Consistency Rules and Generating Step-Up** — On several occasions, the IRS has said it would fix and finalize the onerous basis consistency temporary and proposed regulations, but nothing has emerged in the more than five years after their publication. We will examine these problematic temporary and proposed regulations and discuss how best to comply with the rules during a period of prolonged uncertainty. In addition, with a historically high basic exclusion amount, portability and the unlimited marital deduction, inclusion of the value of trust assets in a beneficiary's gross estate, resulting in a step-up in the basis of the assets to their fair market value as of the decedent's death, will often be desirable. This presentation will explore several mechanisms, including trusts, powers of appointment and redeployment of assets between spouses, by which to maximize basis step-up while also achieving other important estate planning goals.
Charles A. "Clary" Redd, Stinson LLP, St. Louis, MO

WEDNESDAY AFTERNOON, OCTOBER 27, 2021

Presiding Trustee: Martha Louise R. Lewis, Ernst & Young, Greenville, SC

- 1:00-2:30 **Tax Planning in Light of Potential Tax Reform** — Estate planners need to brace themselves for potential upheaval to the estate and gift tax landscape. This could include a reduction in the unified credit, increases in tax rates, and legislation targeted to particular planning techniques, such as zeroed-out GRATs. In short, estate planners likely will have much on their hands in the months and years ahead. This presentation will assess what legislative reforms have occurred, what may remain on the horizon, and, importantly, what steps estate planners should take in light of it all.
David A. Handler, Kirkland & Ellis LLP, Chicago, IL
- 2:40-4:10 **Recent Estate and Gift Tax Developments** — In an always lively and informative fashion, this presentation details significant court decisions, rulings, and statutory and regulatory developments relating to trust and wealth transfer taxes over the past twelve months.
Samuel A. Donaldson, Professor of Law, Georgia State University College of Law, Atlanta, GA



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GENERAL INFORMATION

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REGISTRATION

CONFERENCE FEES:

- Full conference (all 3 days) - \$700
- Single day - \$250
- Two days - \$500

Choose which day(s) you want to watch:

- Monday - Income Taxation and Corporate Taxation
- Tuesday - Partnership, International, Employee Benefits, Controversy and Tax Accounting
- Wednesday - Estate Planning

Please note the following:

- You may only use one individual email address per registration.
- When registering, you must select which day(s) you would like to view/purchase.
- If you are seeking CPE/CLE/CFP credit, you must respond to the polling questions throughout each session to receive continuing education credit for that session.
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- Credit card payments only.
- 50% discount for IRS employees. Additional discounts for full-time professors and sponsors. (Please contact Mallory Decker at mdecker@brammgmt.com for discount codes).
- Discounts may not be combined.
- Sharing registrations is not permitted.

INSTITUTE ACCESS AND MATERIALS

Registered attendees will be emailed links to access the program prior to the Institute.

Information to access the online materials will also be emailed approximately one week prior to the Institute.

CANCELLATION POLICY

Registration fees are refundable (less a \$50 administrative fee) if written notice is submitted by October 11, 2021. Please send to info@sfti.org. No other refunds will be made after October 11, 2021.

CONTINUING EDUCATION

SFTI is an advanced seminar for tax professionals versed in the field based on education in law, accounting, or business programs, or the equivalent in practical experience. The seminar consists of a series of lectures on specific topics grouped by subject matter, for which no specific advanced preparation is required. In past years, the Institute's program has been approved for CPE/CLE/CFP accreditation by states with mandatory requirements.

SFTI strives to present programs that will meet most state continuing education requirements for attorneys, CPAs, and CFPs, and will continue to submit all of its offerings for approval by the various states' legal, accounting, and CFP boards.

ACCOUNTANTS (CPE):

SFTI is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education of the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbaregistry.org.

Amount of Recommended CPE credit: **21.5 tax hours**

PROGRAM LEVEL:

Advanced; **Program Prerequisites:** General knowledge with tax and estate planning; **Delivery Method:** Group Internet Based; **Recommended Field of Study:** Tax; **Advance Preparation:** None; **Learning Objectives:** Acquisition of knowledge and skills to develop proficiency as a practitioner; maintenance of professional competence as a practitioner; development of proficiency in performance of intricate and complex legal, accounting, estate, and trust law tasks.

CERTIFIED FINANCIAL PLANNERS (CFP):

The 2021 program will be submitted for **21.5 hours** to the CFP Board of Standards.

ATTORNEYS (CLE):

The 2021 program will be submitted to the state bars in Alabama, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Virginia.

TOTAL COURSE HOURS

18.0 (60-minute hours)

21.5 (50-minute hours)

INSURANCE PROFESSIONALS (CE):

Continuing Education credit for insurance professionals will not be available for the 2021 Southern Federal Virtual Tax Institute.

For more information regarding refunds, concerns and program cancellation policies, please contact Mallory Decker at mdecker@brammgmt.com.

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SCHEDULE AT A GLANCE

MONDAY, OCTOBER 25

8:30-10:30

RECENT FEDERAL INCOME
TAX DEVELOPMENTS

10:40-11:40

THE 2021 LEGISLATIVE LANDSCAPE:
EVALUATING ACTUAL AND
POTENTIAL CHANGES

1:00-2:00

WHAT IS A "TRADE OR BUSINESS" AND
WHEN DOES IT MATTER?

2:10-3:10

TRANSACTIONS INVOLVING S
CORPORATIONS: RELEVANT RULES,
THE IMPACT OF TAX REFORM AND COVID
RELIEF, AND POTENTIAL CHANGES
ON THE HORIZON

3:20-4:20

REP AND WARRANTY INSURANCE IN
PURCHASE AND SALE TRANSACTIONS

TUESDAY, OCTOBER 26

8:30-9:30

HOT TOPICS IN PARTNERSHIP AND
REAL ESTATE TAXATION

9:40-10:40

PARTNERSHIP DEBT ALLOCATIONS IN
THE NEW "RISK OF LOSS" WORLD

10:50-11:50

THE STILL EVOLVING INTERNATIONAL
TAX REGIME: WHAT THE GENERAL TAX
PRACTITIONER NEEDS TO KNOW

1:00-2:00

THE EFFECT OF RECENT CHANGES ON
EMPLOYEE BENEFIT PLANS AND EXECUTIVE
COMPENSATION ARRANGEMENTS

2:10-3:10

WHEN AVOIDANCE CROSSES THE LINE:
CRIMINAL INVESTIGATION OF ABUSIVE
TAX SCHEMES

3:20-4:20

RECENT DEVELOPMENTS IN TAX METHODS
OF ACCOUNTING

WEDNESDAY, OCTOBER 27

8:30-9:30

S CORPORATION BASICS FOR
ESTATE PLANNERS

9:40-10:40

CHANGE OF CIRCUMSTANCES,
CHANGE OF TRUST: THE RULES AND
PITFALLS OF DECANTING

10:50-11:50

BASIS BONANZA: DEALING
WITH CONSISTENCY RULES AND
GENERATING STEP-UP

1:00-2:30

TAX PLANNING IN LIGHT OF
POTENTIAL TAX REFORM

2:40-4:10

RECENT ESTATE AND GIFT TAX
DEVELOPMENTS



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