

Lawful Tax Avoidance

Our Trusts are meticulously structured to be fully tax-compliant with the Internal Revenue Code, ensuring both legality and efficiency in tax planning.

Judicial Precedents:

- In *Weeks v. Sibley* (DC 269 F. 155), *Edwards v. Commissioner* (415 F.2d 578, 582 10th Cir. 1969), and *Philips v. Blanchard* (37 Mass 510), courts have affirmed that forming a Spendthrift Trust with the intent of reducing or deferring taxes does not render it illegal.
- A Spendthrift Trust is not considered a taxable association or corporation under tax law, as it lacks the essential corporate attributes: 1) Centralized Management, 2) Continuity of Existence, 3) Free Transferability of Interest, and 4) Limited Liability.

Legitimate Tax Planning:

- "Avoidance of Taxes is not a criminal offense. Any attempt to reduce, avoid, minimize, or alleviate taxes by legitimate means is permissible." — Department of the Treasury, IRS Handbook for Special Agents, p. 412.
- "Persons may adopt any lawful means for the lessening of the burden of income taxes." — *Edison California Stores, Inc. v. McColgan* (30 Cal. 2d 472, 183 P.2d 16).
- "It is not an evasion of legal responsibility to take advantage of the choice of any form of organization permitted by law." — *Narragansett Mutual Fire Insurance Co. v. Burnham* (51 R.I. 371, 154 A. 909).

Compliant with 8 Categories of Trust Law

Our Trusts adhere to eight fundamental categories of trust law, ensuring robust protection and compliance:

1. **Scott on Trust Law** - Incorporating insights from Scott's expertise to underpin the trust's foundations.
2. **Restatement of Trusts** - This authoritative document provides clarity on trust principles and practices.
3. **Internal Revenue Code** - Adhering to tax regulations that directly impact the trust's structure.
4. **Uniform Trust Code** - Ensuring consistency and uniformity across jurisdictions.
5. **Uniform Prudent Investor Act** - Balancing prudent investment practices with trust management.
6. **Uniform Commercial Code** - Governing transactions to ensure fairness and transparency.
7. **Statute of Frauds** - Safeguarding against unauthorized transactions through written agreements.
8. **Rule Against Perpetuities** - Implementing measures to prevent perpetual control and ensure time limits on the trust's duration.

For additional details, please refer to:

- **26 USC §643(a)**
- **26 USC §643(b)**

Our commitment to these established guidelines ensures that your trust remains compliant and robust, safeguarding your assets and optimizing your tax strategies effectively.