

Table of Contents

I.	Introduction	5
II.	New York Non-Tax Rules and Considerations.....	5
A.	Exempt Property: EPTL 5-3.1	5
1.	Statutory Provision for Property Exempt from Decedent's Creditors	5
2.	Discussion.....	7
3.	Planning and Drafting for Exempt Property.....	9
B.	New York's Elective Share System: EPTL 5-1.1-A	10
1.	In general	10
2.	The elective share amount	11
3.	Testamentary substitutes.....	11
4.	Elective share trust.....	13
5.	Satisfaction of elective share amount	13
6.	General, procedural and waiver or release aspects	13
7.	Waiver and release: EPTL 5-1.1-A(g)	14
C.	Discretionary Distributions: EPTL 10-10.1	15
1.	Liberalizing Amendments to EPTL 10-10.1 Governing Discretionary Trust Distributions.....	15
2.	Interesting Creditors' Rights Issue.....	16
D.	Testamentary Trusts v. Revocable Trusts	19
III.	Basic Tax Rules.....	19
A.	Federal Estate Tax System	19
B.	Portability	23
1.	In general	23
2.	The Portability Statutes	24
3.	The Final Portability Regulations.....	26
C.	Basis Intersection: IRC § 1014.....	27
1.	Basic Basis Rules	27
2.	Newly-enacted IRC § 1014(f)	29
D.	New York Estate Tax System for New York Residents	30
1.	Introduction	30
2.	Statutory Imposition of New York Estate Tax on New York Resident Decedents.....	31
3.	Discussion of New York's Estate Tax System for Taxing New York Residents	36
4.	Lifetime Planning to Reduce or Eliminate New York Estate Taxation for New York Resident Decedents	42
5.	Will Planning and Drafting to Reduce or Eliminate New York Estate Taxation.....	44

IV.	The Federal Estate Tax Marital Deduction.....	46
A.	Marital Deduction Requirements	46
B.	Major Form Options.....	46
1.	Outright	46
2.	QTIP Dispositions	47
C.	Amount of Deduction.....	50
1.	Pre-Mortem Planning.....	50
2.	Portability Planning.....	52
3.	Post-Mortem Planning.....	53
D.	Types of Marital and Non-Marital Dispositions	57
V.	Credit Shelter Dispositions	58
VI.	Contingent Dispositions: No Surviving Spouse.....	62