

DEVELOPMENTS IN TAX LAW

HR 3558 House bill that would limit the tax benefits of "stapled" or paired-share REITs.

Johnson v. IRS (5th Circuit) HELD: IRS is entitled to collect from a debtor post-petition interest accruing on nondischargeable taxes from the filing date of the bankruptcy petition. The debtor is entitled to credit for any payments made, as of the dates paid, applicable first against accrued interest, then the balance.

Benefits of Offshore Tax Havens to Individuals:

- (1) Offshore trusts are used for estate planning.
- (2) Foreign bank accounts with interest accruing in an appreciating currency can yield higher rates of return than interest paid in \$U.S.
- (3) Strict asset protection laws against judgments of foreign creditors can safeguard assets from former spouses or a medical malpractice judgment.