

Two CBA Members Distinguish Themselves in Support of Legislative Initiative

Many members volunteer a significant amount of time drafting or reviewing legislation, testifying on bills, or serving as a resource to CBA legislative-lobbying staff or lawmakers. This year, two members went above and beyond the call of duty to merit recognition. John R. Ivimey, of Reid and Riege PC in Hartford, and Donna D. Vincenti, a solo practitioner in New Hartford and Lakeville, both distinguished themselves by working with legislators and nonpartisan staff to develop a workable transfer tax system in the state.

Ivimey and Vincenti are the co-chairs of the CBA Estates & Probate Section's State Tax Committee. The section opposed further delay in the phase-out of the succession and gift taxes, which the legislature delayed by two years in 2001 and again in 2003. The succession tax was imposed on estates exceeding certain exemptions at rates based on the relationship of the beneficiary to the deceased. Clients perceived the succession tax as unfair, according to Vincenti. The gift tax was slated to be phased out with an exemption of \$1 million, but, due to the delays, taxed gifts of over \$25,000 made by a donor in a calendar year. She and Ivimey advocated opposition to the delay for a number of reasons, including that it taxed different

beneficiaries at different rates; it was viewed as discriminating against persons who do not have children; it imposed a tax at a relatively low level of wealth on those persons who do not have close relatives; Connecticut was one of only four states with a gift tax, making it a less desirable place to live, particularly for wealthy individuals who could afford homes in more than one state; Connecticut was one of the few states with a succession tax; and the gift and succession taxes impacted low-income, elderly clients in a burdensome and unfair manner.

Also in 2003, the legislature, to fill a significant shortfall in the General Fund, adopted a temporary estate tax on estates of over \$1 million of persons dying between July 1, 2004, and December 31, 2004. The tax was imposed at 130 percent of the prior state death tax credit and was made payable within six months of death instead of nine. The tax was viewed as arbitrary and unfair by practitioners and clients alike.

Ivimey and Vincenti met with CBA legislative-lobbying staff and developed a strategy to approach lawmakers with a proposal that would encourage a permanent, policy-based solution to Connecticut's state death tax system. In a series of meetings facilitated by staff, they explained the complex

state of transfer tax laws, why the temporary taxes were unfair and arbitrary, and how such taxes make estate planning challenging and unpredictable for clients. Ivimey and Vincenti met with the co-chairs and ranking members of the Finance, Revenue & Bonding Committee as well as the minority leadership, the governor's legal counsel, and others. They met with and worked collaboratively with representatives of various interest groups. They testified at a public hearing before the committee. The legislature depended upon their knowledge and practical experience to help revise the law.

"I found the experience to be enlightening and gratifying," said Vincenti. "It was challenging at times to convey our message to lawmakers," although, she added, "It was rewarding to see the end result, which will benefit clients in estate planning matters."

That result, a unified estate and gift tax, was adopted as part of the state budget (House Bill 6940). Although the end product is not identical to the legislation presented by the section, it does provide for retroactive repeal of the succession tax and a \$2 million gift tax exemption as of January 1, 2005, representing, according to Ivimey, a "sound, policy-based approach" to transfer taxation.

—Matthew Hallisey