

Intentionally *Defective* Grantor Trusts (IDGT): For Appreciating Businesses

Do you have a rapidly appreciating business or asset you would like to pass on to your heirs?

Why would anyone purposely create and own something *defective*? When the defect is in the tax owed to the IRS. These are defective in that the **grantor does not owe the tax on the gains in the trust**.

The IDGT is used to pass wealth to your heirs, with the asset protected, and also to avoid estate taxes. It freezes the value of an appreciating asset for estate tax purposes, which can be important in a closely held business that is appreciating quickly. You can read more about it inside our book, "Under the Radar." [\[HYPERLINK\]](#)

If you are trying to pass a business to your children, an IDGT may be a good option. However, we can use other strategies to mitigate capital gains taxes and estate taxes on highly appreciating assets.

To know what these other strategies are, and to decide when to use which one to serve your purposes, **call us, at 866-977-2252**, or sign up for our free consultation and write us your questions. We'll get back to you with answers soon.