

**WHERE WILL YOUR CARS GO
WHEN YOU DO...**



TDC
LIFE

WHERE WILL YOUR CARS GO, WHEN YOU DO?

Do you have a plan or a vision for your car collection?

Have you taken the necessary steps to ensure your intentions are met after you are gone?

Is it the best plan?

Many of our clients, even the most well prepared from an estate planning perspective, have a gap in their planning when it comes to their cars. If you answered no to any of the questions above, it is important to know that there are options, but even more important to understand the trade-offs associated with each one.

Let's take a closer look at a few of your options:

OWN CARS PERSONALLY AND PASS TO FAMILY

SIMPLICITY = YES

TAX EFFICIENCY = SOMEWHAT

PROS

- You don't have to deal with the issue
- Step up in basis at death

CONS

- May be subject to federal estate tax
- No way to ensure the protection of your collection
- Cars may be sold as fire sale prices

SELL CARS

SIMPLICITY = SOMEWHAT

TAX EFFICIENCY = NO

PROS

- You get cash from the collection before you die

CONS

- Sale proceeds may be subject to federal estate tax
- No way to ensure the protection of your collection
- Cars may be sold at fire sale prices
- You need to facilitate sales
- 20% tax on gain



DONATE COLLECTION TO CHARITY

SIMPLICITY = SOMEWHAT

TAX EFFICIENCY = YES

PROS

- Tax advantages
- Strong likelihood collection will remain in tact

CONS

- Takes asset away from family
- May require additional cash to cover vehicle upkeep
- May not be comfortable with existing charities
- If private foundation, may need to be open to public

USE IRREVOCABLE TRUST TO FORM LLC TO OWN CARS

SIMPLICITY = NO

TAX EFFICIENCY = YES

PROS

- Appreciation of vehicles can be outside taxable estate
- It's flexible
- Cars may still be sold after your death

CONS

- Loss of step up in basis for federal estate tax purposes
- Cannot personally use cars without leasing

**HOW DO YOU ENSURE YOUR INTENTIONS FOR YOUR CARS ARE MET?
CREATE A ROADMAP.**