

# [Discussion post](https://assignbuster.com/discussion-post-essay-samples/)

[Finance](https://assignbuster.com/essay-subjects/finance/)

Response Response The transfer of the assets to a single US trust does not make a difference if Noel or Marsha dies first. Such is because the trust is created for possession by Cynthia when both parents die and not when one parent dies. This is because the tax that is applied by the U. S. government on residents and nonresidents is the same on all the assets. Such an answer is the same if Marsha was a US citizen since there is no discrimination in the process of tax application to U. S. and non U. S. citizens. As such, the federal tax department levies the same tax rates for the assets of both residents and non residents in U. S (Matthew Bender and Company, 2012).
If the creation of the trusts occurs less than 3 years before the first deaths, then the assets are vulnerable to tax credit reduction, which is based on the ratio that is dictated by the federal estate tax. Such occurs because there are different rates applied to trusts based on the dates of establishment of such trusts. However, a decision by Cynthia to focus on giving up her U. S. citizenship to that of Morocco will have an impact on the trust. At first, there will be several legal procedures to establish whether she is the real owner of the trust. Further, such a trust will be subject to taxation and reduction as determined by the federal tax department. The rates of these reductions and taxation will be different compared to when she would have maintained her U. S. citizenship.
References
Matthew Bender and Company. (2012). International estate planning. Lexis Nexis Group.