

# CORUM MABIE COOK PRODAN ANGELL & SECREST, PLC

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**Via U.S. Mail and E-mail**

Willem Jewett, Esq.  
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Re: Uniform Transfers to Minors Act

Dear Willem:

Stephanie Willbanks and I were pleased with how well things went last week during our testimony, and are cautiously optimistic that this important act may actually be passed this year. Pursuant to our conversation, I thought that I would address two of the questions that arose during our testimony, and provide you with a side-by-side comparison of the important differences between the Uniform Gifts to Minors Act and the Uniform Transfers to Minors Act.

I struck a responsive chord when I said that everyone knows that young adults are better capable of handling funds when they are 21 than they were when they were 18. We were asked whether distributions under the Uniform Transfers to Minors Act could be postponed until a later age, notwithstanding the fact that this would not be consistent with the law in other states. The age distribution is addressed in one of the comments under the model act. It states: *This definition of "minor" retains the historical age of 21 at the age of majority, even though most states have lowered the age for most other purposes, as well as in their versions of the 1966 Act. Nevertheless, because the Internal Revenue Code continues to permit "minority trusts" under IRC Section 2503(c) to continue in effect until age 21, and because it is believed that most donors creating minority trusts prefer to retain the property under management for the benefit of the young person as long as possible, it is strongly and suggested that the age of 21 be retained as the age of majority under this Act.*

Since real estate is a permissible holding under the Uniform Transfers to Minors Act, we were also asked whether taxpayers might transfer the title to their homes to their children under the act, and thereby qualify for a property tax adjustment on their property tax bills if their income precluded them from qualification. Form HS-122, the Homestead Declaration and Property Tax Adjustment Claim, must be accompanied by form HI-144, the Household Income Statement. That statement includes the income of all persons that lived in the home during the prior year. Therefore, transferring property to a taxpayer's child would not affect their qualification for a property tax adjustment, assuming that the taxpayer continues to reside in his

or her home. Furthermore, it seems unlikely that any taxpayer would want to transfer the ownership of his or her home to a minor child.

On the attached sheet I have summarized some of the more important differences between the Uniform Gifts to Minors Act and the Uniform Transfers to Minors Act. The provisions in italics derive from comments under the model act.

The term “conservator” is defined in Section 3211. It is used on pages 7, 19 and 20 of the act. Although this term is consistent with the Uniform Probate Code and other uniform acts, it is not consistent with our statutes. If it is not too late, I would suggest that the term be changed to guardian on the above referenced pages of the act.

I am delighted that Mark Langan will be testifying to provide further support of this act at your committee’s hearing next week. Please let me know if you have any questions concerning this matter in the interim.

With continued best wishes.

Sincerely,

Joseph F. Cook

/jfc

Enclosure

cc: Mark A. Langan, Esq. (via e-mail)  
Professor Stephanie J. Willbanks (via e-mail)  
Robert M. Paolini, Esq. (via e-mail)