Jane Dixon has a terminal illness and has been informed by her doctor in February 2020 that she only has months left to live. Jane is considering gifting all her assets to her 2 children now or leaving the assets to them in her will.

Jane made out a will in June 2018 requesting that her assets be divided equally between her 2 children, Elizabeth and Albert. Her estate comprises the following assets:

1. The family home in Dublin valued at €700,000 (split equally between Elizabeth and Albert). Elizabeth has been living in the house with her husband Daniel and their daughter Liz since 2006. They moved into the house in 2006 to care for Jane and Jane had been living in the house with them until she was hospitalised in August 2019.
2. A 24% shareholding in SuperData Limited valued at €1million (split equally between Elizabeth and Albert). The remaining 76% is owned by an unrelated third party. Jane has owned the share since the company was established in May 2006.
3. Cash of €80,000 and investments valued at €1 million (split equally between Elizabeth and Albert)

Elizabeth and her husband Daniel own a holiday home in Cork. Elizabeth and Daniel bought this property in August 2012 at a cost €90,000. The current market value is €150,000.

Albert has worked full-time in SuperData Ltd. since 2012. Both Elizabeth and Albert inherited €120,000 each from their father in May 2002.

Albert is concerned that his mother has not left anything to her grand-child Sam. Sam is the son of her deceased son Hugh. Sam is 16 and lives with his mother but does not have much contact with his grandmother Jane. Albert has told his mother that he will gift €300,000 from his inheritance to Sam.

In July 2020, Albert and Elizabeth come to you for advice in relation to the potential tax liabilities on the transfer of Jane’s assets. They would like advice as to whether she should gift the assets now or wait until her death.

They also want to know if there is anything any of them can do now to minimize the tax liabilities on all of them.

**Requirement**

1. Calculate Capital Acquistions Tax for Elizabeth, Albert and Sam assuming Jane dies in October 2020, and the assets are transferred as directed by her will. (You can assume that the market values on the date of death are the same as the market values on the date of the will.)
2. Based on your meeting with the family in July 2020 prior to Jane’s death, suggest any ways the family could minimise the tax burden, possibly by changing the will and re-calculate tax to show the potential savings. (You can assume that Jane and her children are all willing to make changes to the distribution of assets as long as both children still get their 50% share of the total assets.)

Your solution should include the capital taxes payable based on the will. Show total taxes for the 3 beneficiaries.

Re-calculate tax based on any tax planning advice you give and clearly show the tax savings for all parties. Provide a note of explanation to the clients for your proposed savings.