



Ensuring Peace of Mind: Exploring the Benefits of Gun Trusts

SUBMITTED BY MATTHEW J. ACKMANN | REINHART BOERNER VAN DEUREN s.c.

IF YOU OWN FIREARMS, particularly those that are unique and collectible, and plan on passing them down to the next generation, you should pay special consideration to them when creating or updating your estate plan. If you have not heard of a Gun Trust, it is an estate planning tool that should be considered to help meet your legacy goals in light of an ever-changing regulatory landscape.

A Gun Trust is a revocable or irrevocable management trust established to hold the title to your firearms and is a great way to transfer ownership as part of your estate plan. While traditional revocable (or living) trusts offer valuable estate planning tools, they have limitations when it comes to certain specialty firearms. These limitations can cause an ill-informed Trustee with otherwise good intentions to trigger hefty criminal and monetary penalties.

Generally, a Gun Trust provides added value if you own or intend to purchase a National Firearms Act (NFA) firearm, which includes short-barrel rifles; short-barrel shotguns; machine guns; suppressors (or silencers); destructive devices (generally, explosive devices); and "any other weapons" (generally, disguised devices such as pen guns).

Outright ownership or use of a revocable trust are appropriate for other firearms, such as standard rifles, shotguns and pistols used for hunting, target shooting or personal protection. NFA firearms may be owned by non-government individuals or entities in one of three ways: as an individual; as a limited liability company; or as a Gun Trust. NFA firearms must be registered with The National Firearms Registration and Transfer Record, which is maintained by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

Gun Trust Advantages

- **Privacy:** Registration with the ATF, which can be searchable, under the Gun Trust, not the individual. In addition, the NFA firearm will pass outside of probate at death, also avoiding public records.
- **Use and Possession:** A Gun Trust with multiple Trustees allows any Trustee to use and possess the NFA firearm. If you own the NFA firearm individually, the firearm cannot be in anyone else's possession.
- **Ensured Legacy:** A Gun Trust can provide for proper use and enjoyment of NFA firearms by future generations. Without specific provisions relating to NFA firearms, firearms will often pass under your estate plan via broad bequests of tangible personal property, which may not meet with your intentions.
- **Protection:** A properly drafted Gun Trust prevents Trustees from taking certain actions following your death to avoid an inadvertent violation of federal, state and/or local law. Gun Trusts also better protect against a "prohibited person," under federal or state law, from obtaining possession of the NFA firearm. If a prohibited person possesses the NFA firearm, the firearm is subject to confiscation and destruction.
- **Relocation Flexibility:** A Gun Trust can permit Trustees to change the governing law to address state and local firearm laws where beneficiaries may reside.

If you want to ensure your firearms are used responsibly for generations to come, make sure to consult with an experienced attorney to learn more about estate planning with firearms and Gun Trusts. Beware of online do-it-yourself forms as these services can produce limited, "canned" trusts. Your attorney can also assist you with the ATF registration process and incorporate the Gun Trust into your larger estate planning objectives and strategy.

If you have questions about Gun Trusts or other estate planning matters, please contact attorney Matt Ackmann or another member of the Reinhart Trusts and Estates Team.



Chart a Course for Lasting Legacy

Our experienced team of Trusts and Estates attorneys helps high-net-worth clients build and preserve wealth, whether they are actively engaged in business or enjoying the rewards it has produced.

Reinhart