



July 24, 2024

## Estate Planning Update Summer 2024 - Act Now: Upcoming Changes to Estate, Gift, and GST Tax Exemptions

The Tax Cuts and Jobs Act (TCJA) of 2017 brought sweeping changes to federal tax laws, many of which are set to expire after December 31, 2025. As we approach this "sunset," understanding its impact on your estate planning is crucial.

A key point to consider now is the significant reduction on the horizon for the gift, estate, and generation-skipping transfer tax exemptions. Both exemptions are currently set at \$13,610,000, and under current law, they will be cut approximately in half for gifts made, and decedents dying, on or after January 1, 2026. In our upcoming newsletters, we will discuss strategies to maximize use of exemptions before the sunset.

While it's tempting to speculate about future changes in the tax laws, and to use that possibility as a reason for delay, we advise clients with substantial assets to act promptly. Utilizing your full exemption before the sunset can ensure that you maximize your estate's value for future generations. This is especially important for married clients where ideal planning requires multiple strategies to be implemented over time.

For a review of other key provisions of the TCJA that are also subject to the impending sunset you can read our [article](#) previously published in our Day Pitney Generations Spring Newsletter.

Please contact your Day Pitney estate planning attorney for further information.