Winter 2018/2019

Estate Planning Update Winter 2018/2019 - IRS Blesses Lifetime Gifts to Loved Ones

As described in our March 2018 *Update* article, "Estate Planning under the New Tax Law" clients may wish to make large gifts in order to take advantage of the increased federal gift and estate tax exemption ($11.4 million in 2019). The increased exemption, temporary under current law, is to be cut roughly in half for gifts made, and for decedents dying, after 2025. There were concerns the law could lead to a "clawback," charging estate tax to post-2025 estates for gifts that utilized the temporarily increased exemption while it was available.

In November, proposed regulations were issued which, if finalized in their current form, will resolve the clawback issue favorably. This is good news, which removes a concern some had raised about making larger gifts now. Please contact your Day Pitney estate planning attorney with any questions about gifting under the current tax law.