

December 16, 2015

## 2016 Inflation Adjustments

For 2016, the annual exclusion amount for gifts remains at \$14,000. The estate, gift and GST tax exemption amount for estates of decedents dying in 2016 and gifts made in 2016 is increased to \$5.45 million. The annual exclusion amount for gifts made to a noncitizen spouse in 2016 is increased to \$148,000.

The New York estate tax exemption, which applies to New York residents and those who own real property located in New York, is also subject to annual adjustment for the next several years. The New York estate tax exemption will increase to \$4,187,500 for decedents dying on or after April 1, 2016, through March 31, 2017.