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Kirkland Alert

Gift, Estate and GST Tax Exemptions

27 October 2020

The gift, estate and GST tax exemptions are now \$11.58 million per taxpayer (\$23.16 million total for a married couple) and are scheduled to decrease back to approximately \$6 million in 2026. However, a new administration and Congress could reduce it much sooner. Former Vice President Biden's platform suggests reducing it as low as \$3.5 million. If enacted, such a law could be retroactive to January 1, 2021.

Now is the time to consider using your gift and GST tax exemptions, if you are financially able and willing. Using your exemptions will remove the assets and all future income and appreciation from your estate, escaping gift and estate taxes. There are many forms and methods of making such gifts, including to a trust that includes your spouse as a beneficiary. You can gift cash, liquid assets, residences, or even forgive debts owed by trusts or others. Also, with the current historically low interest rates, selling assets to an irrevocable trust in exchange for a promissory note is a quick and effective way to transfer value and appreciation out of your estate.

Please contact a member of the Trusts & Estates Practice Group if you are interested in discussing whether and how to use these exemptions.

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Related Services

Practices

- Transactional
- Trusts & Estates
- Tax

Suggested Reading

- 17 November 2020 Kirkland Seminar Evolving Convertible Bond Strategies for Corporates
- 03 November 2020 Speaking Engagement International Bar Association's Virtual Conference
- 27 October 2020 Press Release Kirkland Represents Appfire on Acquisition of Business Intelligence Products from Navarambh Software

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