

Super Committee May Change Estate, Gift and GST Tax Exemptions

The generous \$5 million per person estate, gift, and generation-skipping transfer tax exemption and maximum 35% rate for such taxes is in danger. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the "Act") increased the tax exemptions and decreased the maximum rates for 2011 and 2012 only. It is now rumored that the Joint Select Committee on Deficit Reduction, commonly known as the "Super Committee", will propose legislation that will return the exemption to \$1 million per person before 2013, even possibly on November 23, 2011 when the Super Committee vote takes place.

It is impossible to predict what the outcome will be, particularly given the past history of the twists and turns of the exemption. This leads us to caution our clients that if they wish to take advantage of the larger exemption by making gifts they should do so as soon as possible.

Previously, the gift tax exemption was \$1 million per person and the estate and generation-skipping tax exemptions were each \$3.5 million per person.

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If you have any questions, please contact the GW attorney with whom you regularly consult.

About Garfunkel Wild, P.C.

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