

TAX AND WEALTH ADVISOR ALERT-IRS ANNOUNCES CHANGES TO ESTATE AND GIFT TAX EXEMPTIONS FOR 2024

The IRS allowed amounts of the federal gift, estate, and generation-skipping transfer tax exemptions will materially increase in 2024. With exemptions reaching historically high levels, this presents a golden opportunity for strategic and tax-free gifting. In this post, we'll explore the key changes and opportunities you should consider for your financial planning.

Exemption Amount Increase:

Starting in 2024, the gift and estate tax exemptions will increase to \$13,610,000, allowing individuals to transfer significant assets during their lifetime or at death without incurring gift or estate tax. For married couples, the combined exemption rises to \$27,220,000. If you have already maximized your lifetime gifts under current limits, additional tax-free gifts of up to \$690,000 per individual or \$1,380,000 per married couple can be made in 2024.

GST Tax Exemption Boost:

The GST tax exemption is also set to increase to \$13,610,000 (\$27,220,000 per married couple) in 2024. This opens doors for strategic gifts to trusts, benefiting grandchildren or more remote descendants, and leveraging the increased GST exemption.

Annual Exclusion Amount Rise:

In addition to the significant increases in exemption amounts, the annual exclusion amount is climbing to \$18,000 per recipient (or \$36,000 for married couples splitting gifts) in 2024. This means tax-free gifts can be made to an unlimited number of recipients. Furthermore, the special annual exclusion from gift tax on gifts to a non-U.S. citizen spouse will see an increase to \$185,000 in 2024.

Maximizing Gifts in 2024:

The year 2024 presents exceptional opportunities for gift planning, considering the increased exemptions and the potential for depressed asset values in certain sectors. As the current exemptions are scheduled to be halved at the end of 2025 without further congressional

action, there's a limited window to take advantage of these higher limits.

Action Steps for 2023:

As the end of the year approaches, don't forget that the 2023 annual exclusion amount is \$17,000 per recipient. Make sure you make your annual exclusion gifts before December 31, 2023.

To navigate these changes and make informed decisions about your gift and estate planning, reach out to our [Tax and Estate Planning Team](#). We can provide personalized insights into how these changes may impact you.