

New Estate Tax Law Summary

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	2009	2010	2011-2012	2013 and thereafter
Annual Exclusion Gifts (Don't Count at All)	\$13,000	\$13,000	\$13,000	\$14,000
Tuition and Medical Direct Payment Exemption	Unlimited Like Before	Unlimited Like Before	Unlimited Like Before	Unlimited Like Before
Lifetime Exemption	\$1,000,000	\$1,000,000	2011 - \$5,000,000 2012 - \$5,120,000	\$5,250,000 plus future inflation adjustments
Estate Tax Exemption	\$3,500,000 (less what was used of \$1,000,000 above)	Unlimited—See Footnote*	2011 - \$5,000,000 2012 - \$5,120,000** (less portion of used lifetime gifting exclusion)	\$5,250,000 plus future inflation adjustments
Estate Tax Rate	45%	35%	35%	40%
Discounts and Installment Sales/GRAT's, etc.	Available	Available	Available initially (at least, not sure about rest of 2011-2012)	Let's hope these are not lost in tax legislation compromises.
Portability of First Dying Spouse's \$5,120,000 Exemptions	No	No	Yes	Yes

Note that exclusion increases do not apply for Non Resident Aliens or future or already existing Qualified Domestic Trusts (QDOT's) established for Non Resident Alien spouses. They still are subject to a \$60,000 estate tax exclusion level for assets subject to US estate tax and need planning as much as ever!

*The above amounts will continue to adjust for inflation in \$1,000 increments for the annual exclusion gifting amount and in \$10,000 for the estate/gift/generation skipping tax exemption.

**There is a state death tax credit. There is a state death tax deduction.