The Tax Cuts and Jobs Act of 2017 limited absolutelly the federal estate tax, but it gradually increased the current exemption to $11.4 million in 2019. With scant planning, a married couple can use both exemptions and transfer up to $22.8 million in assets during their lives. This leaves two federal estate tax laws.

However, this estate tax exemption is in danger of shrinking to just $5 million, plus cost-of-living adjustments for inflation. In 2026, the federal estate tax exemption is scheduled to drop by about 50% in 2026, exposing the estate tax exemption to $6 million in 2021 reduces the estate tax exemption to $11.4 million in 2019. With scant planning, a married couple can use both exemptions and transfer up to $22.8 million in assets during their lives.

**Winning the Numbers Game**

In 2025, the federal estate tax exemption will be roughly $10 million, plus cost-adjusting adjustments. To avoid estate tax of $5 million, plus cost-of-living adjustments for inflation. In 2026, the estate tax exemption is scheduled to drop by about 50% in 2026, exposing the estate tax exemption to $6 million in 2019 is $15,000 per recipient. The annual gift tax exclusion for 2019 is $15,000. By using such techniques, beneficiaries can avoid estate tax.

**Swift action that anticipates a pullback on estate tax relief could wind up saving millions of dollars for certain taxpayers.**

### Large Gifts

Above the annual exclusion amount and the medical and educational expense, large gifts can generate larger tax savings. For example, an estate tax of $5 million could cash under the current exemption and leave at least $7.4 million in assets.

### Laws and Regulations

By using such techniques, beneficiaries can avoid estate tax.

**Top Tips for Estate Planning**

- **Estate Tax Planning:**
  - Consider using a trust to protect assets from estate taxes.
  - Use charitable giving to reduce taxable estate.
  - Take advantage of the marital deduction.

**Gift Tax Planning:**

- **Gifts to Children:**
  - Make annual gifts to reduce estate tax.
  - Use trusts to transfer assets.

**Estate Planning:**

- **Estate Planning for Minors:**
  - Consider using a trust to protect assets from estate taxes.
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By using such techniques, beneficiaries can avoid estate tax.
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years ago you began "Tidying Up" with Marie Kondo on Netflix. Has your clients' books ("The Life-Changing Magic of Tidying Up" and "Spark Joy") inspired you to declutter?

Chances are that your clients are among the millions new questions whether such and every personal possession meets the "spark joy" test in their lives. But chances are equally good that they haven't spent any time at all considering what will happen to their prized possessions if something happens to them. To ensure that your clients' wishes are carried out, you should consider whether their loved ones know how to distribute the masterpiece hanging in the living room or their one-of-a-kind vintage watch? Who will be accountable to make sure your clients' wishes are followed? Beyond consideration of tangible assets, who will care for your clients' loved ones when they are unable to? Your clients may be the primary caregivers for a young child or someone withdisablements, who will oversee receipt or rejection of their document. If your clients are in a situation in which they need their agent to act quickly and efficiently, their financial institution's net trusts may be an improvement. Consider what life changes or life events may push for a reduced estate tax exemption amount. The current federal estate and gift tax exemption amount is $11 million, but for New York residents, the estates of decedents who die after Dec. 31, 2021, will be subject to a New York estate tax. The IRS issued regulations which confirm that gifts made utilizing the enhanced gift tax exemption will not be clawback when the exemption is reduced. Prop. Reg. §20.2010-1(c) and Reg. §20T.6010Q-16. However, that may change depending on the results of the 2020 presidential election. The Democratic presidential candidate Joe Biden has suggested reducing the gift tax exemption amount in order to tax more significant gifts and estate taxes. Currently, the exemption amount is $11 million; the estate tax exemption amount is $3.5 million. If the exemption amount is reduced to $1 million by 5% or more (which in 2023 would result in a $2.1 million estate tax exemption amount), the deceased spouse's unused exemption amount is likely to be wasted in the absence of proper planning. If, however, a deceased spouse's unused exemption amount is not wasted, it may be possible for the surviving spouse to use it. Otherwise, the "cliff" will result in the entire estate being subject to estate taxes, essentially losing your exemption. Furthermore, New York does not have any provision for marital couples. Without sufficient information or support, the surviving spouse is unable to use the deceased spouse's unused exemption amount, and it can therefore be wasted in the absence of proper planning. Estate planning techniques such as disclaimer and marital deduction are important to address this issue for married couples.

When your clients pass away, will their loved ones know how to distribute the masterpiece hanging in the living room or their one-of-a-kind vintage watch? Who will be accountable to make sure your clients' wishes are followed? On the increase in value between the time the asset should be placed back in the deceased spouse's name and the estate tax exemption amount is $3.5 million. If the exemption amount is reduced to $1 million by 5% or more (which in 2023 would result in a $2.1 million estate tax exemption amount), the deceased spouse's unused exemption amount is likely to be wasted in the absence of proper planning. If, however, a deceased spouse's unused exemption amount is not wasted, it may be possible for the surviving spouse to use it. Otherwise, the "cliff" will result in the entire estate being subject to estate taxes, essentially losing your exemption. Furthermore, New York does not have any provision for marital couples. Without sufficient information or support, the surviving spouse is unable to use the deceased spouse's unused exemption amount, and it can therefore be wasted in the absence of proper planning. Estate planning techniques such as disclaimer and marital deduction are important to address this issue for married couples.

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The Raymond James Foundation has awarded a $10,000 grant to the University of Southern Mississippi to expand its successful Endowment retreat program, which trains faculty and administrators from Mississippi universities to build endowment funds in their institutions. The award will fund the development of new curricula and training programs, as well as support the expansion of existing programs. The University of Southern Mississippi was one of 10 institutions selected by the Raymond James Foundation for the grant. The program at the University of Southern Mississippi is designed to help faculty and administrators understand the role of endowments in sustaining and advancing academic programs. It includes workshops, webinars, and other resources to help institutions build endowment funds and ensure their long-term financial stability. The Raymond James Foundation's support will enable the University of Southern Mississippi to expand its program and reach more institutions across the state.
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