

**From the desk of  
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## **Higher Estate And Gift Tax Limits for 2019**

The Internal Revenue Service has announced the estate and gift tax limits for 2019.

The estate and gift tax exemption is \$11.4 million per individual up from \$11.18 million in 2018.

This means an individual can leave \$11.4 million to heirs and pay no federal estate or gift tax while a married couple will be able to shield \$22.8 million.

The annual gift exclusion amount remains the same at \$15,000.

For the truly wealthy these amounts represent planning opportunities.

Even if you do not have a taxable estate, you still need an estate plan.

The tax cuts made last year decreased the number of estates subject to the federal estate tax by doubling the exemption amount from a base level of \$5 million per person.

Interestingly according to the Tax Policy Center there were only an estimated 1,890 taxable estates in America in 2018 based upon the new legislation.

This compares with 4,687 taxable estates in 2013 reflecting a base \$5 million exemption, and 52,000 taxable estates in 2000 when the exemption was \$675,000.

The annual gift tax exclusion where you can give away \$15,000 to as many individuals as you would like without incurring a gift tax, or have to file a gift tax return.

For a married couple a husband and wife can each make \$15,000 gifts.

Lifetime gifts beyond the annual exclusion amount count towards the \$11.4 million combined estate/gift tax exemption.

The \$22.8 million exclusion per couple is not automatic.

An unlimited marital deduction allows you to leave all or part of your assets to your surviving spouse free of federal estate tax but to use your late spouse's unused exemption, or what is called "portability", you must elect it on the estate tax return of the first spouse to die, even when no tax is due which means to capture that amount you must file a gift tax return timely.

17 states and the District of Columbia levy separate estate and/or inheritance taxes with some states starting at the first dollar of an estate.

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