

advisory

HOW WILL THE RECENT ELECTIONS AFFECT YOUR ESTATE PLAN?

Now that the Presidential and Congressional races have been called in the Republican party's favor, you may be wondering how the election results will impact your estate plan. With this outcome, it appears highly unlikely that the possibility of an increase to the estate, gift and generation skipping transfer taxes will be passed into law in the coming year with a retroactive effective date of January 1, 2025. The prospect remains, however, that key provisions of the 2017 Tax Cut and Job Act (TCJA) will expire on January 1, 2026. This will result in the exemptions to these taxes being decreased to their 2017 levels, as explained below.



Under existing law, the current estate tax exemption of \$13.99 million (which is the 2025 amount recently released by the IRS) automatically reverts to the pre-2017 level of approximately \$7.5 million per taxpayer on January 1, 2026. It remains unclear which provisions of the TCJA can be extended by a mere majority vote and which provisions require a 3/5ths Senate vote to extend the TCJA. This will become clearer as the coming year unfolds. For now, we continue to encourage our clients interested in estate, gift and generation skipping transfer tax planning to remain focused on completing their planning before January 1, 2026.

If you have questions or need assistance, please contact Gene M. Carlino at (401) 824-5138 | gmcarlino@pldolaw.com or Leah A. Foertsch at 561-362-2030 | lfoertsch@pldolaw.com.



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