



Why Explore Giftgiving Now?

Your family has built significant wealth that is positioned to provide for future generations. Current estate tax laws allow an individual to pass \$12M of estate assets (\$24M combined for married couples) without incurring the current 40% federal estate tax. However, the current law will sunset in 2026 and reduce to approximately \$6M per person (indexed for inflation). *Tax Cuts and Jobs Act 2017*

The IRS is your "silent partner" in your estate – entitled to 40% of your taxable estate above the exemption. Based on a \$30M estate growing at 3% and a 40% estate tax rate, the IRS would be entitled to:

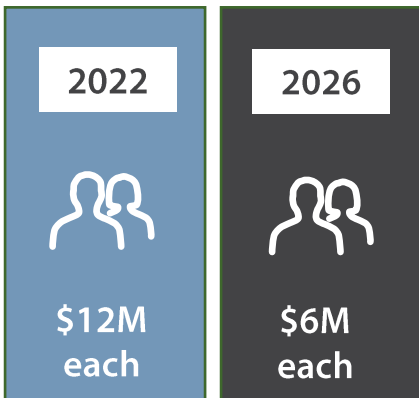
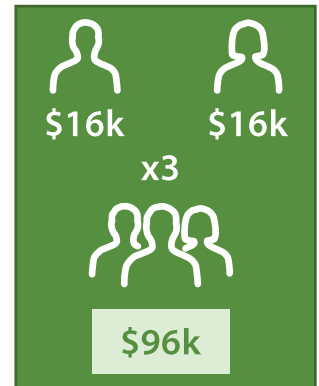
- In 10 Years: Estimated \$34.3M taxable estate x 40% taxes = \$13.7M
- In 20 Years: Estimated \$48.1M taxable estate x 40% taxes = \$19.3M

Preserving Your Family Property and Estate

Under current law, there are two primary ways to gift assets outside of your taxable estate without incurring gift tax: annual exclusion giftgiving and lifetime exemption giftgiving.

Annual Exclusion Giftgiving *IRC Section 2503*

- The maximum an individual may give away to any one person in 2022 is \$16,000.
- A person with 3 adult children, may give away up to \$16,000 each per child for a total of \$48,000 annually. For a married couple, it would be \$96,000.



Lifetime Exemption Giftgiving *IRC Section 2010(c)(3)*

- An individual may give up to \$12,060,000 during their lifetime.
- In 2026, the law with the current exemptions will sunset, and the exemption will reduce back to prior levels (adjusted for inflation). This amount will be approximately \$6,030,000 per person.



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