

# Overview of Federal Taxes

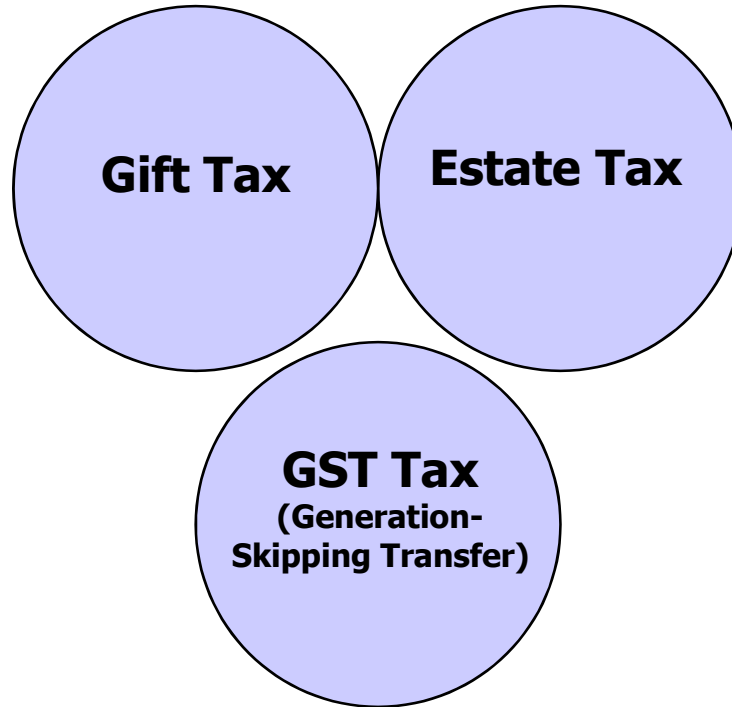
## Annual Exclusion from Gift Tax and GST Tax

Up to \$15,000<sup>5</sup> per year, per donor, per donee; indexed for inflation (\$14,000 in 2013-2017)<sup>1</sup>

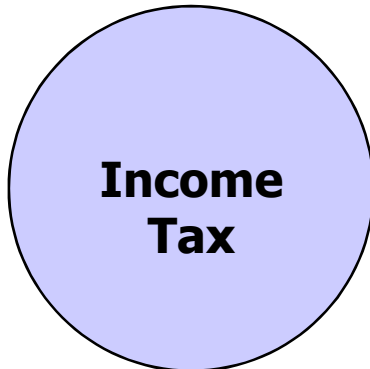
Also excluded is the direct payment of another's tuition or health care expenses

Gifts in trust and gifts of illiquid assets must be "present interests" to be eligible for annual exclusion

Gifts to only certain types of trusts will be eligible for the GST Tax exclusion



	Exemptions <sup>1</sup>		Top Rate
	Estate <sup>2</sup> / GST Tax	Gift Tax	
2002	\$1.0 M	\$1.0 M	50%
...			
2009	\$3.5 M	\$1.0 M	45%
2010 <sup>3</sup>	Repealed	\$1.0 M	35%
2011 <sup>4</sup>	\$5.0 M	\$5.0 M	35%
2012 <sup>4</sup>	\$5.12 M	\$5.12 M	35%
2013 <sup>4</sup>	\$5.25 M	\$5.25 M	40%
2014 <sup>4</sup>	\$5.34 M	\$5.34 M	40%
2015 <sup>4</sup>	\$5.43 M	\$5.43 M	40%
2016 <sup>4</sup>	\$5.45 M	\$5.45 M	40%
2017 <sup>4</sup>	\$5.49 M	\$5.49 M	40%
2018 <sup>4,5</sup>	\$11.18 M	\$11.18 M	40%
2019 <sup>4,5</sup>	\$11.4 M	\$11.4 M	40%



1. Unlimited transfers to charities and to a spouse who is a U.S. citizen are free from Gift Tax, Estate Tax, and GST Tax
2. Gift Tax Exemption used during lifetime reduces Estate Tax Exemption available at death
3. The taxes were reinstated in December 2010 with election and transition rules
4. Unused Estate Tax Exemption is "portable" between spouses (unused GST Tax Exemption is not portable)
5. On January 1, 2026 the estate, gift and GST tax exemptions drop to \$5 M plus an inflation adjustment.



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