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GENERAL NEWS

Rumors Abound Regarding Fate of Gift Tax Exemption

Earlier in November, Forbes magazine and many other sources shared a rumor that the Joint Select Committee on Deficit Reduction (called the “Super Committee”) might adopt a proposal to roll back the federal gift tax exemption to prior levels (\$1 million). While it is possible the Super Committee will recommend a roll back of the gift tax exemption, and while it is possible it could become effective November 23 – or some other date, including immediately – recent articles indicate action on the gift tax exemption may not come quite so quickly.

In a follow up article dated 11/11/11, Forbes contributor, Peter Reilly notes the panic over a November 23 effective date change may have been created by estate planners and may be an “urban legend”.

<http://www.forbes.com/sites/peterjreilly/2011/11/11/is-november-23-gift-tax-exemption-decrease-an-urban-legend/>

Nevertheless, for any clients interested in optimizing the \$5 million gift tax exemption, whether before November 23 or otherwise, this rumor is a reminder that there is a reasonable chance the \$5 million gift tax exemption may not be here to stay. So please consider if you wish to make a gift to utilize your exemption while we still have it, and please contact us to discuss the most advantageous ways to make your gifting.