



SHEPARD SCHWARTZ & HARRIS LLP

Business Advisors For Privately Owned Companies

Tax Alert

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Window Opens for Increased Gifting

The lifetime exemption for gift tax purposes has increased five-fold to \$5 million. For 2011 and 2012, individuals can now gift up to \$5 million over their lifetime without paying any gift taxes out of pocket. In addition, the generation-skipping transfer tax exemption increases to \$5 million as well. These changes are scheduled to revert back to \$1 million in 2013 unless Congress decides to extend the window.

The increased exemption is a significant estate planning opportunity and could prove to be a very useful tool in transferring wealth. However, since every individual's tax situation is different and because of the uncertainty of future legislation, caution should be exercised before implementing a gifting program. Please contact us for more insight into how the increased exemption could be beneficial to you.

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