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SENIOR INTELLIGENCE™ ESTATE TAXATION – FEDERAL AND NYS 2024

FEDERAL	NEW YORK STATE
The current Federal Gift and Estate Tax exemption is \$13.61 million . Gifts above \$18,000 made during lifetime must be reported to the Internal Revenue Service (see below), and are included in the taxable estate.	The current New York State “Basic Exclusion Amount” (estate tax exemption) is \$6.94 million . There is no gift tax in NYS, except that the state can “claw back” gifts made within three years of death and include them in the taxable estate.
Federal law allows for portability between spouses of the Estate Tax exemption. This means that the unused portion of the exemption of the first spouse to die is added to the exemption of the surviving spouse. A married couple will thus have a total of \$27.22 million in exemptions.	New York State does not offer portability. The unused portion of the exemption of the first spouse to die is not transferred to the surviving spouse. However, a result similar to Federal portability can be achieved by including a Credit Shelter Trust in the estate plan.
Federal Estate Tax is imposed upon the value of the taxable estate that exceeds the exemption amount	New York State has a “ tax cliff .” If the taxable estate in NYS is more than 5% above the current exemption amount, estate tax will be imposed on the ENTIRE amount of taxable estate, from the first dollar.

ARE ASSETS HELD IN A TRUST COUNTED AS PART OF A PERSON’S TAXABLE ESTATE?

The assets owned by a Revocable (“Living”) Trust, and by most Irrevocable Trusts, and are included in the taxable estate of the Grantor. Some or all of the value of property or accounts held in joint tenancy, or with a beneficiary designation, are also included in the taxable estate.

AM I LIMITED TO GIFTS OF \$18,000/YEAR? DO I NEED TO PAY A GIFT TAX?

You may give gifts of any amount, but each gift made in 2024 of more than \$18,000 must be reported on a Federal Gift Tax Return (Form 709). You may make gifts of \$18,000 to any number of persons each year, without filing a Gift Tax Return. No gift is subject to tax unless you have exceeded your lifetime exemption (currently \$13.61 million) as a result of reportable gifts previously made.