

2020 Federal Unified Credit Estate, Gift and Generation-Skipping Tax Laws

Effective Exemption Amount <i>(How much can I give away during my lifetime or leave at death without paying gift, estate tax, or generation-skipping tax?)</i>	<p>\$11,580,000 <i>(estate tax or gift tax – taxpayer choice)</i></p> <p>\$11,580,000 <i>(generation-skipping taxes)</i></p>	Gift, Estate & Generation Skipping Tax (GST) Rates <i>(If I have more than the tax-free amount, how much goes to taxes?)</i>	<p>40%</p>
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Other Provisions				
Basis	Lifetime Gift & Estate Tax Exemption	Annual Gift Tax Exclusion	Portability	Generation-Skipping Exemption
<p>Generally, each estate asset is given a new basis equal to its fair market value as of the decedent's date of death. That means the decedent's basis, however low or high, disappeared along with the potential capital gains tax treatment. This is known as a "step-up" in basis.</p>	<p>The total lifetime tax-free exemption amount for estate and gift tax is now a unified credit of \$11,580,000, whether a lifetime gift or given at death.</p>	<p>The annual gift tax exclusion is \$15,000. You may make a gift of this amount to as many people as you like and file no gift tax return.</p>	<p>This new concept assists a married couple to not lose the first decedent's unified credit when the couple did no death tax planning so that the couple can pass a total of \$11,580,000 tax-free to their heirs. However, several issues make this not a good thing upon which to rely. To use it, a federal death tax return must be filed for the first spouse to die.</p>	<p>This is where a gift is made during life or after death which skips a lineal descendant, or is made to any other person more than 37.5 years younger than the person making the gift. The exemption amount is not portable.</p>

(No Oklahoma Death or Gift Tax since January 1, 2010)