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2012 Wealth Transfer Tax Laws: The Window of Opportunity is Rapidly Closing

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The window of opportunity to take advantage of the currently applicable wealth transfer tax laws is rapidly closing, and once shut, it is possible that we may never see such generous estate planning opportunities again.

The unique estate planning opportunities currently available are a result of the "Tax Relief, Unemployment Insurance Authorization, and Job Creation Act of 2010" (2010 Act). The 2010 Act introduced the following:

- $5,120,000 exemption per person for Federal estate, gift and generation-skipping transfer (GST) taxes
  - Highest exemptions ever available

- 35% maximum marginal rate for the estate, gift and GST taxes
  - Lowest rate in decades

- "Reunification" of estate, gift and GST tax exemptions
  - Greater Planning Flexibility
  - Acting together, a couple can give up to $10,240,000 of assets (outright or in trust)

In addition, President Obama's 2013 Budget Proposal contains proposed rules which would restrict a person's ability to transfer wealth to their children and more remote descendants. The 2013 Budget Proposal includes the following rules:

Restrict grantor retained annuity trusts (GRATs) to a minimum of 10 years

Elimination of the availability of certain valuation adjustments associated with family limited partnerships

The generous provisions of the 2010 Act are temporary and without further Congressional action, these provisions will expire on December 31, 2012. Act now before it is too late, so that you can benefit from the current advantageous estate opportunities and ensure you are not affected by the proposed rules from the 2013 Budget Proposal.

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