
Estate Planning: Increased Transfer Limits for Gift and Estate Tax for 2023

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The Tax Cuts and Jobs Act provides for a number of tax figures to be adjusted annually to reflect cost-of-living adjustments based on the Consumer Price Index for the 12-month period ending the previous August 31. See below for a break down of the adjusted 2023 transfer limits for gift and estate tax exclusions and exemptions.

2023 TRANSFER LIMITS

Gift Tax Annual Exclusion

2023 Amount – \$17,000 / 2022 Amount – \$16,000

The annual amount that any individual donor may transfer to each individual donee that does not need to be reported to the Internal Revenue Service (a donor may transfer an unlimited amount to a spouse who is a U.S. citizen). In addition, the donor may make unlimited direct payments for medical and tuition expenses for each donee which will not count against the annual exclusion amount.

Gift Tax Annual Exclusion for Noncitizen Spouses

2023 Amount – \$175,000 / 2022 Amount – \$164,000

The annual amount that any individual donor may transfer to a noncitizen spouse donee that does not need to be reported to the Internal Revenue Service.

Unified Estate and Gift Tax Exemption Amount

2023 Amount – \$12,920,000 / 2022 Amount – \$12,060,000

The cumulative amount that any individual may transfer during lifetime (for gifts that do not qualify as annual exclusion gifts) and at death before being subject to federal gift and/or estate tax.

Inflation - Adjusted 2023 Transfer Limits for Gifts and Estates

The Tax Code and Code Act provides for a number of tax figures to be adjusted annually to reflect cost-of-living adjustments based on the Consumer Price Index for the 12-month period ending the previous August 31.

2023 Transfer Limits	
Gift Tax Annual Exclusion The annual amount that any individual donor may transfer to each individual donee that does not need to be reported to the Internal Revenue Service is donor free transfer, an unlimited amount to a spouse who is a U.S. citizen. In addition, the donor may make unlimited direct payments for medical and tuition expenses for each donee which will not count against the annual exclusion amount.	2023 Amount \$17,000
	2022 Amount \$16,000
Gift Tax Annual Exclusion for Noncitizen Spouses The annual amount that any individual donor may transfer to a noncitizen spouse donee that does not need to be reported to the Internal Revenue Service.	2023 Amount \$175,000
	2022 Amount \$166,000
Unified Estate and Gift Tax Exemption Amount The cumulative amount that any individual may transfer during lifetime (for gifts that do not qualify as annual exclusion gifts) and at death before being subject to federal gift and/or estate tax.	2023 Amount \$12,920,000
	2022 Amount \$12,060,000



Sue Haberberger concentrates her practice in the areas of estate planning and administration and wealth transfer. She assists individuals with the preparation, revision and updating of estate planning documents including wills, revocable living trusts, irrevocable life insurance trusts (ILITs), charitable trusts (CRATs, CRUTs, CLATs), spousal lifetime access trusts (SLATs), dynasty trusts, trusts for children, grantor retained income trusts (GRITs, GRATs), qualified personal residence trusts (QPRTs), premarital agreements, powers of attorney (for both asset management and health care), and living wills. Sue also advises individuals on planning for and minimizing estate taxes and generation skipping taxes, and counsels clients on the development of gifting strategies, including annual exclusion gifting, charitable gift planning and the formation of private and family foundations. Sue also counsels clients on asset protection and private residence trusts and modification of irrevocable trusts.

Contact Sue at shaber@ym.com or (303) 763-4888.

The information in this article is of general nature and is not intended to be relied upon for legal advice. No action should be taken in reliance upon the information contained in this article without obtaining the advice of an attorney.

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For more information, please contact Sue at shh@ymh.com or (919) 782-6860.

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CONTACT US

Phone: 919-782-6860

Fax: 919-782-6753

OFFICE

Young Moore and Henderson, P.A.

3101 Glenwood Ave. Suite 200

Raleigh, N.C. 27612

MAILING ADDRESS

Young Moore and Henderson, P.A.

P.O. Box 31627

Raleigh, N.C. 27622-1627