
Inflation – Adjusted 2021 Transfer Limits for Gifts and Estates

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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.

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 (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.

- 2021 Amount - \$15,000
- 2020 Amount - \$15,000

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.

- 2021 Amount – \$159,000
- 2020 Amount – \$157,000

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.

- 2021 Amount – \$11,700,000
- 2020 Amount – \$11,580,000

The information contained in this article is of a general nature and is not intended as, nor should it 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.

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