



CLIENT ALERT - IMPORTANT NEW CHANGES TO THE CONNECTICUT ESTATE AND GIFT TAX

November 1, 2017

On October 31, 2017, Governor Dannel P. Malloy signed the new Connecticut State Budget for the Biennium Ending June 30, 2019. The new budget included a change to the Connecticut Estate and Gift Tax Regime.

Effective January 1, 2018, the Connecticut exemption amount from estate and gift tax will be increased from its current level of \$2,000,000 per individual to \$2,600,000. A further increase to \$3,600,000 will take effect on January 1, 2019, and beginning January 1, 2020 the Connecticut estate and gift tax exemption will match the federal exemption (\$5,000,000, indexed for inflation and scheduled to be \$5,600,000 as of January 1, 2018).

Finally, the estate and gift tax cap, the maximum amount an individual is liable to pay to Connecticut in combined estate and gift tax, was reduced from \$20,000,000 to \$15,000,000 effective January 1, 2019.

Cummings & Lockwood continues to monitor the federal tax proposals and will provide information on any changes to the federal estate, gift and generation-skipping transfer taxes as they occur. We will also provide our private clients with more information on all recent estate planning and transfer tax developments in our annual update letter.

Meanwhile, if you have questions about this alert or how these changes may affect your family's estate planning, please contact your Cummings & Lockwood attorney.