



IRS ANNOUNCES ESTATE, GIFT AND GENERATION-SKIPPING TRANSFER (GST) TAX INFLATION INCREASES FOR 2024

November 14, 2023

On November 9, 2023, the IRS officially announced the inflation adjustments for 2024 for the gift and estate tax exemptions. The federal estate, gift and generation-skipping tax exemption will increase to \$13,610,000 for 2024 from \$12,920,000 in 2023. This is an increase of \$690,000. The estate and gift tax exemption represents the amount an individual can transfer during life or at death to beneficiaries without paying any estate or gift tax. The generation-skipping transfer tax exemption is the amount that can pass directly or indirectly to grandchildren or more remote descendants without incurring a transfer tax at one or more generations. The current estate, gift and generation-skipping transfer tax rate is 40%.

For 2024, the annual exclusion will increase to \$18,000 from \$17,000 in 2023. The annual exclusion amount is the amount that a person can give annually to each of as many person as desired without using any gift tax exemption or incurring a gift tax.

For 2024, the annual exclusion for gifts to a non-citizen spouse will increase to \$185,000 from \$175,000 in 2023.

If you have any questions, please contact your Cummings & Lockwood LLC attorney.