

## The Future Of Transfer Taxes (With A Democrat Controlled Congress And White House)

December 3, 2011

For a view on what may happen to federal estate and gift taxes should President Obama be reelected and the Democrats win enough seats in Congress, take a look at the recently introduced “Sensible Estate Tax Act of 2011.” A wish list of tax increases, the Act proposes:

- raising the maximum estate and gift tax rate, and the GST rate to 55%;
- lowering the applicable exclusion amount to \$1 million. This would include indexing for inflation after 2012, but with adjustments going back to 2000;
- restricting valuation discounts on investment assets;
- restoring the state death tax credit;
- eliminating GST exemption benefits after 90 years;
- requiring a minimum 10 year term for GRAT's.

Of course, the first of these items will occur automatically in 2013 under current law even without the passage of a new law.

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