

Proactive Estate Planning for the Impending Gift Tax Exclusion Deadline

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MEET YOUR PRESENTORS



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FEDERAL LIFETIME EXCLUSION

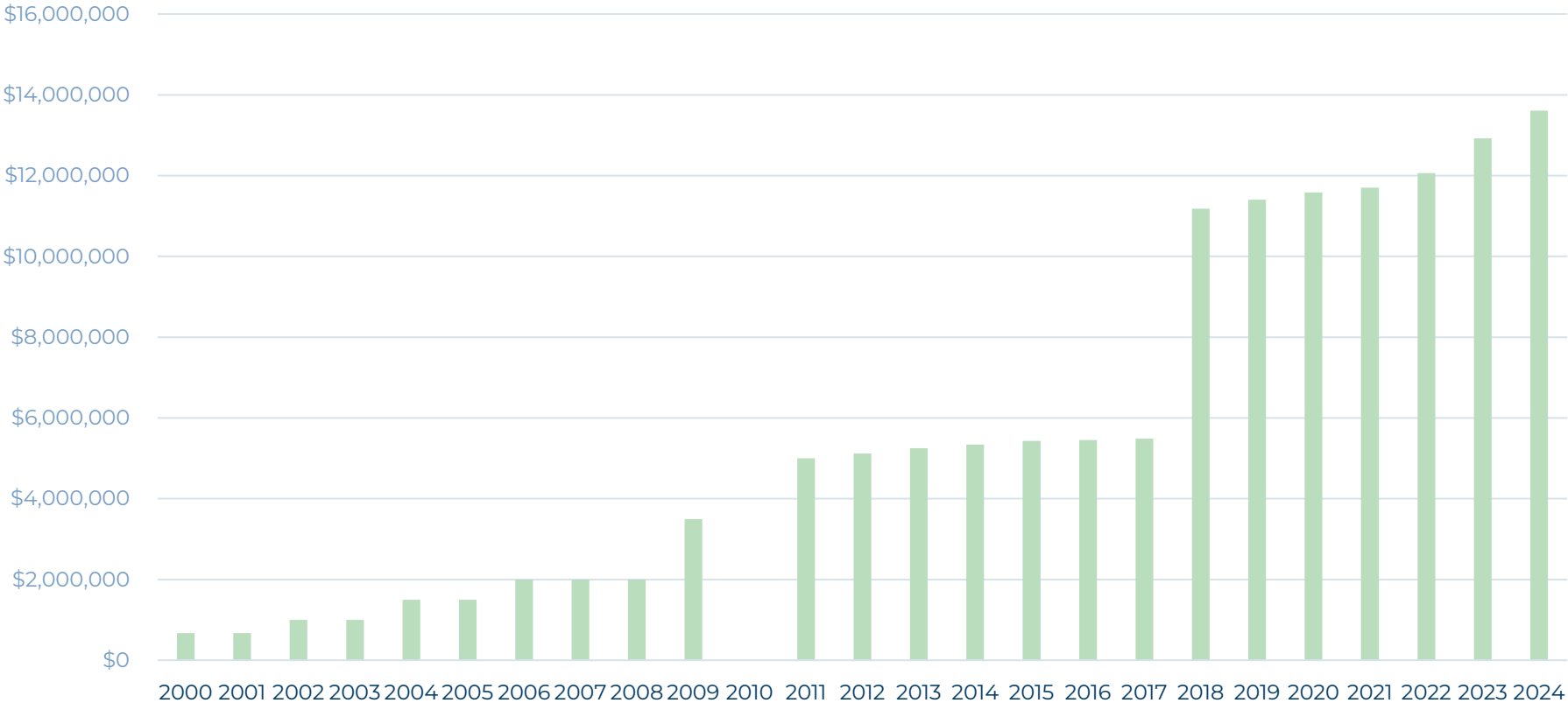


2024 KEY FEDERAL FIGURES

Gift Tax Annual Exclusion:
\$18,000
(or \$36,000 collectively)

Lifetime Exclusion:
\$13,610,000
(or \$27,220,000 collectively)

Estate Tax Rate:
40%



2026 INCOME TAX CHANGES



1

Top marginal federal tax bracket goes from 37% to 39.6%

2

Standard Deduction cut in half
Currently \$14,600 - single, \$29,200 - married couple

3

SALT (state and local tax) deduction limit removed
Currently \$10,000 cap on deduction for taxes

4

2% itemized deductions return
Investment, accounting fees and unreimbursed expenses for W-2 employees

5

Alternative Minimum Tax will impact more taxpayers

NOVEMBER 2024 ELECTION



Estate and gift changes will occur absent congressional action

Republican wins presidency	46%
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Democrat wins presidency	54%
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Republican Sweep (House/Senate/White House)	26%
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Democrats Sweep (House/Senate/White House)	27%
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Republican Seats – 49 or fewer	11%
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Republican Seats – 50	26%
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Republican Seats – 51	21%
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Republican Seats – 52	21%
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Republican Seats – 53 or more	21%
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CURRENT GIFTING: LOW HANGING FRUIT



1

Annual Exclusion

- \$18,000 for 2024
- Likely \$19,000 in 2025
- Unlimited donees

2

Example:

Taxpayer and spouse with
3 kids and 9 grandkids

- Taxpayer 12 individuals x \$18,000 - \$216,000
- Spouse 12 individuals x \$18,000 - \$216,000
- Done 10 years in a row with no appreciation of assets - \$4,320,000
- Estate tax 40% - \$1,728,000 potential savings

3

Medical Expenses –
unlimited paid directly to provider

4

Tuition Expenses –
unlimited paid directly to provider

POTENTIAL COST OF NOT ACTING



- Married couple –\$27,220,000 excess net worth
 - Exemption is \$13,610,000
 - 2026 exemption cut roughly in half to \$6,805,000
-
- Gift \$27,220,000 in 2024/2025 – Zero estate/gift tax on this amount
 - Fully utilize increased exemption
 - No gift, no congressional action and both pass away on 1/1/2026
 - Exemption combined \$13,610,000
 - Amount subject to estate tax \$13,610,000
 - Estate tax on \$27,220,000 less \$13,610,000 exemption = \$5,444,000

NEXT STEPS: QUESTIONS TO ASK YOUR ADVISOR



Given my financial plan and future projections, should I consider gifting assets outside my estate now?



How much of my investment portfolio is needed to support my spending needs going forward?



What's the most effective way to structure any gift?



Which assets should I gift?

YOUR ADVISORS & THEIR ROLES



WEALTH MANAGER –

Oversees more than just your investments.

Frequently coordinates financial planning activities on your behalf.

CPA/ ACCOUNTANT –

Includes both tax preparation—filing your tax returns—and tax strategy.

ESTATE ATTORNEY –

Licensed to implement your estate plan through legal documents. Understands both federal and state estate planning laws.

CONNECT WITH US



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