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Estate and Gift Tax

Federal Estate and Gift Tax

Based on the Tax Cuts and Jobs Act of 2017, the federal estate and gift tax exemption for 2024 will be \$13,610,000, as indexed for inflation. And there is available an estate tax portability election. So, should the election be made, it will allow a surviving spouse's exemption to be increased by the deceased spouse's unused exemption amount.

Massachusetts Estate Tax

The Massachusetts estate tax exemption is now \$2,000,000 due to a legislative change effective 1/1/2023, increasing it from \$1,000,000. This is still a significant difference from the federal exemption above. In addition, the exemption is not portable between spouses. Therefore, due to the relatively low exemption amount and the inability for spouses to use the other's unused exemption, clients may want to consider some advanced estate planning that otherwise would not be necessary at the federal level.

Gift Tax Annual Exclusion

The annual gift tax exclusion is \$17,000 for 2023. It is \$18,000 in 2024. This allows a donor to give tax free gifts up to these exclusion amounts to an unlimited number of donees. In addition, spouses who consent to split their gifts may transfer up to \$34,000 per donee in 2023 and \$36,000 per donee in 2024.

Please feel free to call or email our office should you have questions in these areas.