

T. W. Lewis & Co.

Attorneys at Law
Est. 2006

twl@twllaw.com
www.twllaw.com

Of Counsel
Iven R. Taub
Lissett Ferreira

355 LEXINGTON AVENUE
20TH FLOOR
NEW YORK, NY 10017

TEL: (212) 785-7600
FAX: (212) 967-7633

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TO: CLIENTS AND THEIR ADVISORS

RE: 2017 ESTATE AND GIFT TAX PLANNING LIMITS

The following is a Desk Reference Summary of the most relevant 2017 annual estate and gift tax planning limits and how they compare with the limits for 2015 and 2016, as a result of these limits being indexed for annual cost of living adjustments:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Applicable Exclusion Amount for Estate & Gift Tax	\$5,430,000	\$5,450,000	\$5,490,000
Estate and Gift Tax Rates	40%	40%	40%
Annual Gift Exclusion Amount	14,000	14,000	14,000
Exemption Amount of Gifts to a Non-US Citizen Spouse	147,000	148,000	149,000
Generation Skipping Tax Exemption Amount	5,430,000	5,450,000	5,490,000
2% Interest Limitation Amount on § 6166 IRC Estate Tax Installment Payments	1,470,000	1,480,000	1,490,000
Nonresident Estate Tax Exemption	60,000	60,000	60,000
New York State Estate Tax Exclusion Amount	3,125,000	4,187,500	5,250,000*

****Effective April 1, 2017 – December 31, 2018. The New York Estate Exclusion Amount (“Exclusion Amount”) is phased down to \$0 when the taxable estate exceeds \$5,512,500. The Exclusion Amount will increase to the then Federal Applicable Exclusion Amount for Estate Tax on January 1, 2019. Note that the Exclusion Amount is phased down to \$0 when the taxable estate exceeds 105% of the then Exclusion Amount.***

Our office is available to assist you or your clients in exploring retirement planning issues as well as our other areas of specialization, including tax dispute resolution; tax collection defense; tax preparation; international tax planning and compliance; business structuring; estate planning and administration; guardianship and Medicaid planning; charitable planning, and tax-exempt organizations.