**Title:** Is the $5 Million Gift Tax Exemption About to End?

**Subtitle:** The Rumors

**Meta Description:** Is the $5 Million Gift Tax Exemption About to End?

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**Author:** Frank L. Brunetti

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**Raw Content:** The Tax Relief Act of 2010 made significant changes to the gift, estate and generation-skipping transfer tax regimes by increasing the amount each individual can give without incurring tax from $1 million to $5 million.  The increase was not permanent however, and rumor has it that it may be in jeopardy.  To avoid any risk, those who have decided to use their full exemptions should do so no later than December 31, 2011, and, if feasible, November 22.
<h2>The Rumors</h2>
Rumors circulating recently within the financial and estate-planning communities have suggested the $5 million exemptions may be in immediate jeopardy.  Democratic staff on the U.S. House Committee on Ways and Means recently proposed decreasing the $5 million gift, generation-skipping transfer tax and estate tax exemptions to $3.5 million, effective January 1, 2012.  There also are rumors the Joint Select Committee on Deficit Reduction (the Super Committee) may recommend a drop down in the gift tax exemption to $1 million, effective at year end, or possibly as early as November 23, 2011, when its recommendations are scheduled to be released, though there is no confirmation this rumor is true.
As we all know "everything" is on the table before the super-committee (although they would not admit it), I would caution you to advise your clients of these developments and act sooner rather than later.