



estate planning - when the only certainty is unpredictability

MSK Client Alert

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Donald Trump is now the President, and both chambers of Congress are under Republican control. Thus, we appear to be poised for potentially substantial changes in the estate tax, gift tax, generation-skipping transfer tax, and income tax laws. However, as with all other aspects of political life in America today, it is impossible to predict at this time what ultimate changes will materialize. The only clear thing is the lack of clarity.

1. Is the Estate Tax History? First, there is the perpetual Republican promise, supported by the President, of "repealing" the estate tax. Last time the estate tax was "repealed" (in 2001), it really meant eight years of gradually increased exemptions and gradually decreased rates, followed by one year of repeal (2010), followed by the return of the estate tax with even greater exemptions and lower rates, which is where we are today. Will this happen again? Will the estate tax just disappear retroactive to 1/1/17 or perhaps on 1/1/18? Will deficit hawks decide that even the relatively tiny revenue generated by the estate tax is worth keeping to avoid a political fight with Democrats?

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