

# Gift Tax Estate Planning

This playbook outlines the steps to understand the implications of gift tax on estate planning and how to strategically use gifting to reduce estate taxes. It is intended for individuals looking to optimize their estate plans.

## Step 1: **Understand Tax**

Research and gain a clear understanding of the federal gift tax regulations, including annual exclusion amounts, lifetime exemption limits, and applicable rates.

## Step 2: **Assess Assets**

Take inventory of your current assets and their values to anticipate how they might be taxed in your estate.

## Step 3: **Plan Gifts**

Develop a gifting plan that utilizes the annual gift tax exclusion to slowly transfer wealth to your beneficiaries without incurring gift tax.

## Step 4: **Consult Expert**

Meet with a tax professional or estate planner to discuss your gifting strategy and ensure it aligns with current laws and your personal financial situation.

## Step 5: **Transfer Record**

Keep a comprehensive record of all gifts made, including dates, values, and recipients to assist with future estate planning and tax events.

## Step 6: **Review Annually**

Regularly review and adjust your gifting strategy as needed to respond to life changes, tax law amendments, and shifts in your financial situation.

# **General Notes**

## **Lifetime Exemptions**

The lifetime exemption amount is subject to change with tax law revisions. Always verify the current amount when planning your estate.

## **Documentation**

Always retain proper documentation for all gifts made in case of an audit or for future reference in estate planning.