

Gift Taxing More in a Down Market

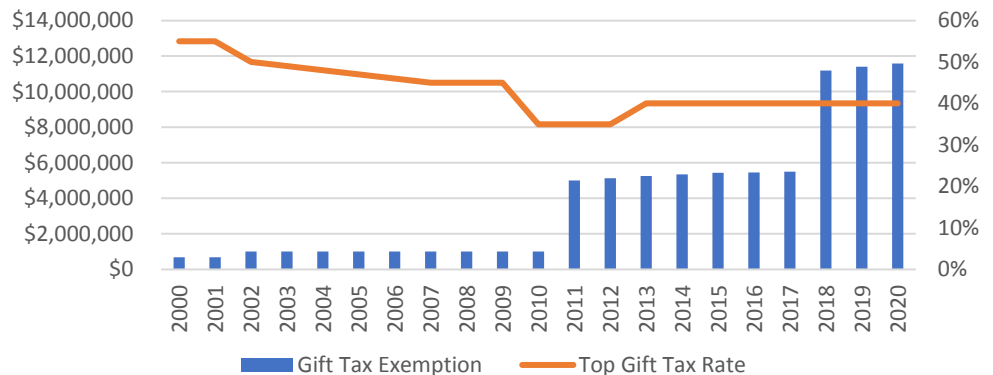
- Wealth Transfer Insight

By Ralph Consola, Principal

Wealth Transfer Opportunity - The US economy is currently responding to multiple market disruptions, including the uncertainty that comes with an impending presidential election and the potential impact of new economic policies. This confluence of events presents opportunities for those interested in transferring wealth to future generations.

1. The value of most businesses (public and private) are down significantly, therefore a greater interest in a business can be transferred at this time at a lower current value.
2. The federal lifetime gift tax exemption is higher than any time in our recent history, \$11.58MM, and the top gift tax rate is 40%. If there is a change in administration, this could change dramatically, and not in your favor – see the chart below.

Gift Tax Exemptions and Top Gift Tax Rates



Bill Clinton 1993-2001 George W. Bush 2001-09 Barack Obama 2009-17 Donald Trump 2017 +

The best way to take advantage of this wealth transfer opportunity, while it lasts, is to consult with a financial advisor and/or estate attorney to map out a plan and then hire an established valuation firm that will properly account for the depressed market in determining the value of your investments.

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