

## Five reasons to advance your gifting goals now



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In a [pre-election update](#), our Estate Planning team discussed the possibility of estate tax reform that could result from a change in party control of the U.S. Presidency and/or the Senate. With the electoral college decisively confirming Joe Biden as president-elect on Monday, Dec. 14, 2020, all eyes have turned to the Jan. 5, 2021, Georgia run-off elections that will determine Senate control.

Should Democratic candidates win both Georgia Senate seats, the chamber would be split 50-50 along party lines. With Vice President-elect Kamala Harris' tie-breaking vote, this would effectively give Democrats Senate control. Should this happen, the budget reconciliation process could be leveraged to pass tax increases with just 50 votes.

As discussed in detail in our [pre-election update](#), individuals with a capacity to gift and a long-term planning view have an opportunity in this moment. In fact, 2020 has created the perfect opportunity for high net worth individuals to advance and implement their lifetime gifting goals.

Here are five key reasons to advance your gifting goals today:

1. The \$11.58 million Applicable Exclusion Amount is at an all-time historical high
2. The Internal Revenue Service has repeatedly signaled that a future reduction in the Applicable Exclusion Amount should not negatively impact clients who have fully utilized their lifetime exemptions (i.e. use of the Applicable Exclusion Amount now should lock in the benefit)
3. Applicable federal rates that drive many common gifting strategies are near all-time historic lows (the long-term rate for December 2020 is 1.31%)
4. The business and economic disruptions resulting from the 2019 novel coronavirus (COVID-19) pandemic have in many cases resulted in lower valuations for private business interests, allowing individuals to gift or sell assets at a discount
5. Market volatility creates opportunity to shift marketable assets at reduced values

**For more information about the content of this article or other estate planning matters, contact a member of our Estate Planning Practice Group.**

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