

**THE LAW OFFICE OF
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2021 AMOUNTS FOR GIFT, ESTATE AND GST TAXES

In Revenue Procedure 2020-45, the IRS published inflation-adjusted federal tax rate schedules and other key tax figures for tax years beginning in 2021.

As for New Jersey, neither the New Jersey Estate Tax nor New Jersey Inheritance Tax was changed by legislation.

The major changes for gift, estate and GST taxes are as follows:

<u>Item</u>	<u>2021</u>	<u>2020</u>
(1) Gift Tax Annual Exclusion	\$15,000	\$15,000
(2) Gift Tax Annual Exclusion for Non-Citizen Spouse	\$159,000	\$157,000
(3) Estate Tax Exemption	\$11,700,000 (as inflation adjusted), and with portability between spouses	\$11,580,000 (as inflation adjusted) and with portability between spouses
Step-up (or down) in basis to fair market value for inherited property at death	Yes	Yes
(4) GST Exemption Amount	\$11,700,000 (as inflation adjusted), but without portability between spouses	\$11,580,000 (as inflation adjusted), but without portability between spouses
Carryover of donor's basis in property transferred to donee by gift	Yes	Yes
(5) Gift Tax Exemption Amount	\$11,700,000 (as inflation adjusted)	\$11,580,000 (as inflation adjusted)

(6) Special Use Valuation Limit	\$1,190,000	\$1,180,000
(7) Dollar Amount Used to Determine the “2%-portion” of Interest on Estate Tax Installment Payments	\$1,590,000	\$1,570,000
(8) Maximum Gift, Estate and GST Tax Rate	40%	40%
(7) New Jersey Estate Tax	Repealed (but stay tuned . . .)	Repealed
(8) New Jersey Inheritance Tax	Remains in effect (Class C and Class D Beneficiaries subject to tax) up to a maximum rate of 16%	Remains in effect (Class C and Class D Beneficiaries subject to tax) up to a maximum rate of 16%