

Federal Tax Considerations for Estate Administration



Many of us spend our lives working hard to accumulate assets that we can pass down to our children and families. Part of that hard work includes creating a successful estate plan that ensures the property and assets we have accumulated throughout our lives are handled as we intended. If you are planning your estate, or if you are handling the estate of a family member, you may be wondering what federal taxes must be considered.

There is no standard solution for estate planning, so it is important to meet with an experienced [estate planning attorney in New York](#) to review the specifics of your estate, but it can be helpful to understand some basic information about federal tax considerations for estate administration.

Federal Taxes

Estates differ greatly and some may be subject to federal taxes which vary based on a variety of factors including the total value of the estate as well as the

amount of taxable financial gifts made during one's lifetime. Many estates are [not subject](#) to the federal taxes; however, understanding the criteria for how federal taxes are applied to an estate can help you plan for your future.

In the United States, the value of the decedent's estate, and all gifts made during their lifetime, is potentially subject to the [federal gift and estate tax](#). The federal gift and estate tax is tax on the transfer of wealth from one person to another at the time of the decedent's death. It is best to assume that all gifts made during one's lifetime are subject to this tax, but certain exemptions help minimize the amount of tax paid on the transfer of property and assets.

In 2018 the Tax Cuts and Jobs Act (TCJA) [raised](#) the lifetime exemption limit from \$5 million under the American Taxpayer Relief Act (ATRA) to \$11.18 million until 2025. For example, if a person gifts \$8 million in assets during their lifetime, and has an estate valued at \$4 million at the time of their death, a total of \$820,000 of their estate is subject to the tax. The tax liability must be paid before any assets are transferred to the named beneficiaries or legal heirs of the estate.

Skilled Estate Planning Attorneys in New York

At the Law Offices of Lissner & Lissner, we have the knowledge and skill to help you navigate the complexities of estate planning, including federal tax considerations. Call [\(212\) 307-1499](tel:(212)307-1499) or [contact us](#) to discuss your concerns and get started with a personalized estate plan today.