

# Estate Tax Projections

Based on TCJA of 2017 - assuming sunset after 2025

Mr. and Mrs. Valued Client

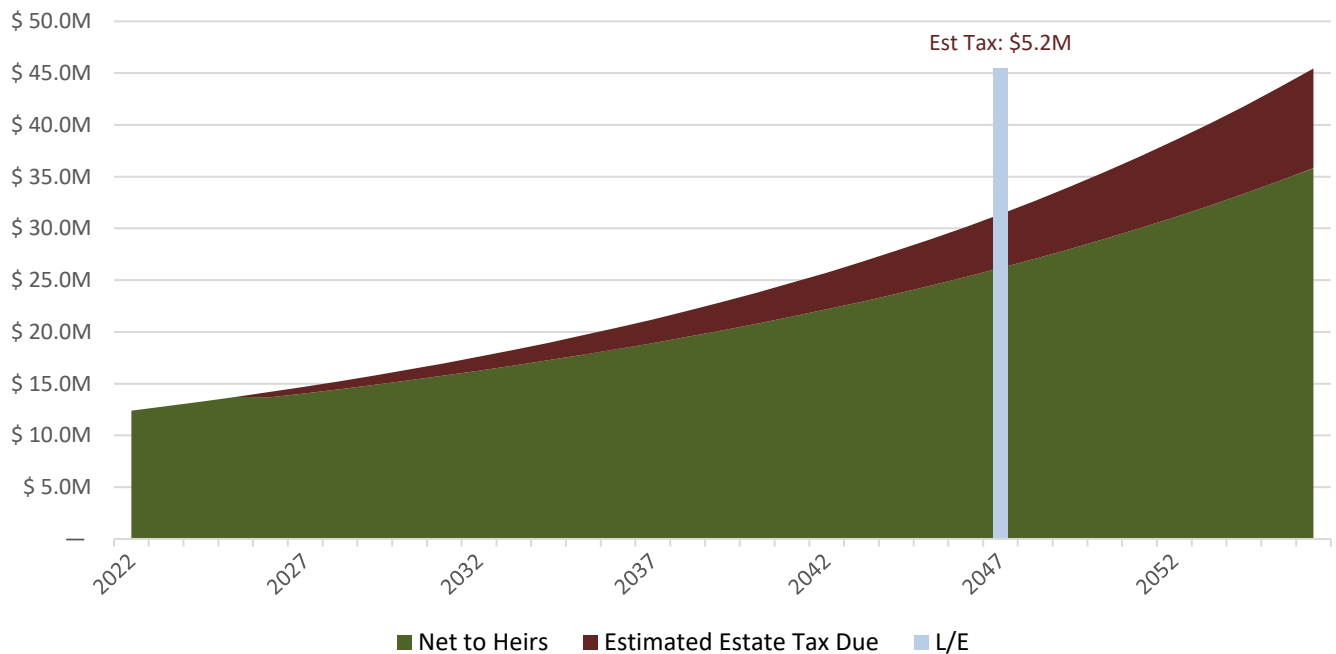
as of January 1, 2022

The current federal estate tax originated from tax laws passed in 1916 and has gone through a constant stream of changes over the past few decades. There have been attempts to repeal the tax, changes to the exemption amount, and changes to the tax rates. Since 2001, there have been three major pieces of legislation that impacted federal transfer taxes: the Economic Growth and Tax Relief Reconciliation Act of 2001; the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010; and the 2017 Tax Cuts and Jobs Act. Many of the provisions in the 2017 Tax Act relating to the estate and gift tax are **set to expire in 2026**.

Even though changes to the federal estate tax appear to be off the table for now, that is no reason for clients to put a pause on wealth transfer planning. A "Wait and See" posture will only lead to another period of frantic assessment the next time Congress considers changing tax law. Instead, now is the time to develop and implement effective wealth transfer plans that take advantage of the tools now available - including grantor trusts, valuation discounts, and short-term GRATs.

Current Estate Assets worth \$ 12,000,000	Current Value	Growth
Inv. Portfolio	\$6,000,000	5.0%
Cash and Personal Property	\$2,500,000	0.0%
Real Estate	\$3,500,000	3.0%

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Individual Exemption: \$12.04M, indexed at 1.7%

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Year	EOY Ages	Estate Tax Exemption Avilable Unified Credit	Estate Asset Values				Estimated Estate Taxes			Prob of 2nd Death
			Inv. Portfolio @ 5.0%	Cash and Personal Property @ 0.0%	Real Estate @ 3.0%	Total Estate Value	Value subject to Estate Tax	Estimated Estate Tax Due @ 40%	Net to Heirs	
2022	66/65	24,080,000	6,300,000	2,500,000	3,605,000	12,405,000	—	—	12,405,000	0.0%
2023	67/66	24,480,000	6,615,000	2,500,000	3,713,150	12,828,150	—	—	12,828,150	0.0%
2024	68/67	24,900,000	6,945,750	2,500,000	3,824,545	13,270,295	—	—	13,270,295	0.0%
2025	69/68	25,320,000	7,293,038	2,500,000	3,939,281	13,732,318	—	—	13,732,318	0.0%
2026	70/69	12,870,000	7,657,689	2,500,000	4,057,459	14,215,149	1,345,149	538,059	13,677,089	0.0%
2027	71/70	13,090,000	8,040,574	2,500,000	4,179,183	14,719,757	1,629,757	651,903	14,067,854	0.0%
2028	72/71	13,320,000	8,442,603	2,500,000	4,304,559	15,247,161	1,927,161	770,864	14,476,297	0.1%
2029	73/72	13,540,000	8,864,733	2,500,000	4,433,695	15,798,428	2,258,428	903,371	14,895,057	0.1%
2030	74/73	13,770,000	9,307,969	2,500,000	4,566,706	16,374,675	2,604,675	1,041,870	15,332,805	0.2%
2031	75/74	14,010,000	9,773,368	2,500,000	4,703,707	16,977,075	2,967,075	1,186,830	15,790,245	0.3%
2032	76/75	14,250,000	10,262,036	2,500,000	4,844,819	17,606,855	3,356,855	1,342,742	16,264,113	0.5%
2033	77/76	14,490,000	10,775,138	2,500,000	4,990,163	18,265,301	3,775,301	1,510,120	16,755,181	0.7%
2034	78/77	14,730,000	11,313,895	2,500,000	5,139,868	18,953,763	4,223,763	1,689,505	17,264,258	1.1%
2035	79/78	14,980,000	11,879,590	2,500,000	5,294,064	19,673,654	4,693,654	1,877,461	17,796,192	1.6%
2036	80/79	15,240,000	12,473,569	2,500,000	5,452,886	20,426,455	5,186,455	2,074,582	18,351,873	2.2%
2037	81/80	15,500,000	13,097,248	2,500,000	5,616,473	21,213,720	5,713,720	2,285,488	18,928,232	3.2%
2038	82/81	15,760,000	13,752,110	2,500,000	5,784,967	22,037,077	6,277,077	2,510,831	19,526,246	4.5%
2039	83/82	16,030,000	14,439,715	2,500,000	5,958,516	22,898,231	6,868,231	2,747,292	20,150,939	6.2%
2040	84/83	16,300,000	15,161,701	2,500,000	6,137,271	23,798,972	7,498,972	2,999,589	20,799,383	8.5%
2041	85/84	16,580,000	15,919,786	2,500,000	6,321,389	24,741,176	8,161,176	3,264,470	21,476,705	11.4%
2042	86/85	16,860,000	16,715,776	2,500,000	6,511,031	25,726,807	8,866,807	3,546,723	22,180,084	15.1%
2043	87/86	17,150,000	17,551,564	2,500,000	6,706,362	26,757,926	9,607,926	3,843,171	22,914,756	19.4%
2044	88/87	17,440,000	18,429,143	2,500,000	6,907,553	27,836,695	10,396,695	4,158,678	23,678,017	24.6%
2045	89/88	17,740,000	19,350,600	2,500,000	7,114,779	28,965,379	11,225,379	4,490,152	24,475,227	30.5%
2046	90/89	18,040,000	20,318,130	2,500,000	7,328,223	30,146,352	12,106,352	4,842,541	25,303,811	37.1%
2047	91/90	18,350,000	21,334,036	2,500,000	7,548,069	31,382,106	13,032,106	5,212,842	26,169,263	44.2%
2048	92/91	18,660,000	22,400,738	2,500,000	7,774,512	32,675,249	14,015,249	5,606,100	27,069,150	51.5%
2049	93/92	18,970,000	23,520,775	2,500,000	8,007,747	34,028,522	15,058,522	6,023,409	28,005,113	58.8%
2050	94/93	19,300,000	24,696,814	2,500,000	8,247,979	35,444,793	16,144,793	6,457,917	28,986,876	65.9%
2051	95/94	19,630,000	25,931,654	2,500,000	8,495,419	36,927,073	17,297,073	6,918,829	30,008,244	72.4%
2052	96/95	19,960,000	27,228,237	2,500,000	8,750,281	38,478,518	18,518,518	7,407,407	31,071,111	78.3%
2053	97/96	20,300,000	28,589,649	2,500,000	9,012,790	40,102,438	19,802,438	7,920,975	32,181,463	83.5%
2054	98/97	20,640,000	30,019,131	2,500,000	9,283,173	41,802,305	21,162,305	8,464,922	33,337,383	87.9%
2055	99/98	20,990,000	31,520,088	2,500,000	9,561,669	43,581,756	22,591,756	9,036,703	34,545,054	91.4%
2056	100/99	21,350,000	33,096,092	2,500,000	9,848,519	45,444,611	24,094,611	9,637,844	35,806,766	94.2%

- Indexing of Exemption Amount is based on changes to the CPI-U as published by the U.S. Bureau of Labor Statistics
- Asset growth rates assumed net after-tax