

2013 FEDERAL ESTATE & GIFT TAX TABLE

Table I. below shows an individual's exclusion amount from Estate and Gift Taxation. This is the amount of assets that can be transferred free of gift taxes during an individual's lifetime, and free of estate taxes upon death. Any amount transferred in excess of this amount is subject to gift taxes during lifetime, and estate taxes upon death. If an individual uses a portion of their exemption during their lifetime, it thereby reduces dollar for dollar, the amount of tax exemption available upon death.

For a married couple, in 2013, the combined exclusion amount with the pending inflation adjustment is \$10, 500,000. The new law contains a portability provision, meaning that if one spouse dies without using his or her total exclusion, the surviving spouse may use the deceased spouse's exclusion amount in addition to his or her own.

Table II. below shows what the tax rate will be on any amounts transferred in excess of the exclusion amount.

In addition to the exclusion amount, in 2013 anyone may make an annual exclusion gift to any individual in the amount of \$14,000. For example, a married couple with 2 children and 4 grandchildren may remove \$168,000 (2x6x14,000) from their estates each year by using annual exclusion gifting. This amount will increase over time since it is indexed to inflation.

TABLE I APPLICABLE EXCLUSION AMOUNT

Year of death	Exclusion Amount
2013	5,250,000*
2012	5,120,000

TABLE II 2013 FEDERAL ESTATE AND GIFT TAX TABLE

Taxable Transfer		Tax On Column 1 +	Tax Rates On Excess
From	To		
\$0	\$10,000	\$0	18%
10,001	20,000	1,800	20%
20,001	40,000	3,800	22%
40,001	60,000	8,200	24%
60,001	80,000	13,000	26%
80,001	100,000	18,200	28%
100,001	150,000	23,800	30%
150,001	250,000	38,800	32%
250,001	500,000	70,800	34%
500,001	750,000	155,800	37%
750,001	1,000,000	248,300	39%
1,000,0001+		345,800	40%