

# 2024 Year-End Estate Planning: Inflation-Adjusted Tax Figures

Article By:

Joshua S. Rubenstein

Jonathan C. Byer

---

## Federal Estate, GST and Gift Tax Rates

The federal estate, gift and GST applicable exclusion amounts are as summarized below. In simple terms, these dollar figures represent the amount of wealth that each individual can transfer during their lifetime and/or at death (in the aggregate) before incurring any federal transfer taxes (which currently are assessed at a maximum rate of 40 percent):

The federal estate tax exemption that applies to non-resident aliens was not increased under the TCJA. Under current law, the exemption for non-resident aliens remains at \$60,000 (absent the application of an estate tax treaty).

## Annual Gift Tax Exclusions

Each year, individuals are entitled to make gifts to donees using the "Annual Exclusion Amount" without incurring gift tax or using any of their applicable exclusion amount against estate and gift taxes. The Annual Exclusion Amount, per donee, is as follows:

Thus, in 2024, a married couple together can gift \$36,000 to each donee without gift tax consequences. (*Consider doing so before the end of the year if you have not done so yet!*) If one spouse makes a \$36,000 gift, the other spouse can agree to split the gift by consenting to gift splitting on a timely filed gift tax return.

For those with noncitizen spouses, please note that the limitation on tax-free annual gifts made to noncitizen spouses will increase from \$185,000 in 2024 to \$190,000 in 2025. Those with citizen spouses may make unlimited gifts to their citizen spouse without incurring a gift tax or using lifetime exemption amounts.

In order to qualify for the annual exclusion, gifts must be of a present interest. To the extent gifts are being made to a trust, care must be taken to ensure that the appropriate powers are included in such trust in order to qualify such gifts as present interests. Accordingly, before making any gifts, you

should contact your Katten Private Wealth attorney to determine if the gifts you are contemplating qualify for the annual exclusion and if such gifts would necessitate the filing of a gift tax return.

## **Federal Income Tax Rates**

There are presently seven individual income tax brackets, with a maximum rate of 37 percent. The 37 percent tax rate will affect single taxpayers whose income exceeds \$609,350 in 2024 (\$626,350 in 2025) and married taxpayers filing jointly whose income exceeds \$731,200 in 2024 (\$751,600 in 2025).

Estates and trusts will reach the maximum rate with taxable income of more than \$15,200 in 2024 (\$15,650 in 2025).

***Michelle Claros contributed to this article***

©2025 Katten Muchin Rosenman LLP

---

National Law Review, Volume XIV, Number 344

Source URL: <https://natlawreview.com/article/2024-year-end-estate-planning-inflation-adjusted-tax-figures>