

November Election and Estate Planning

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The Presidential election is around the corner. What does that mean for estate planning? Probably nothing, particularly if the Executive Branch and Congress remain split among the parties. In the past four years, a Democratic President and Republican Congress has resulted in no significant estate tax legislation. Thus, after 10 years or so of uncertainty and change that preceded 2012, there has been an estate planning calm.

It is unlikely the calm changes in 2017 if there is President Clinton and a Republican Congress. Hillary favors the same provisions as President Obama, which are reducing the estate tax exemption from \$5 million per person, indexed for inflation, to \$3.5 million, and increasing the estate tax rate from 40% to 45%. But as with President Obama, it is unlikely these proposals will go anywhere, unless Democrats take control of the House and Senate.

Conversely, President Trump wants to eliminate the estate tax, similar to former President Bush. Perhaps a big push to eliminate the estate tax would result if large Republican majorities controlled the House and Senate. But even with a Republican President and Congress it is more likely current law, allowing married couples to protect \$10.9 million from estate tax, adjusted annually for inflation, would continue.

Of less concern to most, but significant for the relatively wealthy few, is the Obama Administration's desire to eliminate or reduce advanced planning techniques, such as GRATS, gift/sales to intentionally defective trusts, dynasty trust planning, and intra-family discounting. A new President and Congress may also address these strategies.

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