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What's Next For Estate Tax Impacts You Now

“I see dead people” ranks as the 44th [most famous movie line](#). It's possible the eerie quip may become even more prevalent as we contemplate the uncertainty descending like a shroud over 2013. Most people and advisers are happy with the changes in the estate tax, but their short term nature is disturbing.

True, many tax changes were made only for 2012 and 2013. Yet even more than most taxes, estate tax needs predictability. Some observers say estate planning lawyers should look for another line of work. But many are busy rewriting plans, at least if they have wealthy clients. See [New Estate Tax Law Poses Dilemma For The Rich](#). No one could have predicted the 2010 hiatus in the federal estate tax. That should give us all pause about 2013. We know the situation **only** for 2011 and 2012. As written, a 55% federal estate tax comes back in 2013.

There were early signs the tax could be completely repealed. See [Two Bills Introduced In 112th Congress Would Repeal Federal Estate Tax: H.R. 86 & H.R. 99](#) and [Three More House Bills Would Repeal The Federal Estate Tax \(H.R. 123, H.R. 143, H.R. 177\)](#). If you think repeal is likely, it could cause you **not** to amend your estate plan now, which could turn out to be a mistake. It also could cause you to hold off on current gifts on the assumption that the estate tax (and its gift tax counterpart) will be replaced in 2013. That too could be a mistake.

On the other hand, President Obama's budget proposal makes the idea of a repeal of the estate tax, well, laughable. His proposal calls for a return in 2013 to a 2009-era tax. That would mean a \$3.5 million estate and generation skipping tax exemption per person, plus a \$1 million per person gift tax exemption. Those changes would be hard to swallow.

Stay tuned.

For more, see:

[Estate Tax Bills In Front Of 112th Congress](#)

[State Estate Taxes Loom As Big 2011 Issue](#)

[State Laws: Estate Taxes](#)

[State Estate Tax Changes for 2011](#)

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