
POTENTIAL ESTATE AND GIFT TAX CHANGES UNDER THE TRUMP ADMINISTRATION

With the results of the recent U.S. presidential election, the estate and gift tax world has once again been thrown into uncertainty.

First, as discussed in a recent [Client Alert](#), the Treasury has proposed new regulations that could greatly reduce discounts applied to the value of closely held business assets for estate and gift tax purposes. Although a hearing on these regulations is scheduled for December, it would be difficult for the Treasury to finalize the regulations before President-elect Trump takes office, and it is unlikely that the Treasury Secretary appointed by Mr. Trump will finalize the regulations. Many commentators have pronounced the valuation regulations “dead on arrival.” That is probably an overstatement, but it does reflect the prevailing view that these regulations will likely not be finalized in their current form, if at all.

Second, both Mr. Trump’s tax plan and the tax plan of House Republicans contain proposals to repeal the estate tax, with the House plan also containing a proposal for gift tax repeal. Although the particular details of either plan are not known, given the potential for estate and/or gift tax repeal, it is our recommendation (and the recommendation of estate planners around the country) to:

- Put the brakes on any plan that involves the making of a taxable gift that results in the payment of gift tax, and
- Wait until the state of the estate and gift tax under a Trump administration and Republican Congress is known before implementing any plan that is motivated solely or primarily by the reduction of federal estate and gift tax.

If you have additional questions, please do not hesitate to contact the Thompson & Knight attorney with whom you regularly work or one of the attorneys listed below.

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