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C O U N S E L L O R S A T L A W

Estate Tax Deal? 35%, 5 Million exemption, 2 years only

December 7, 2010 by [Deirdre Wheatley-Liss](#)

The Obama Administration and Republicans have apparently reached a deal on the estate tax reports [Derek Jensen](#):



President Obama and Republicans have apparently come to terms on extending the Bush era tax cuts and believe it or not that deal includes the estate tax. The Federal Estate Tax would still return next year, but instead of coming back with a top rate of 55% and an exemption of \$1 million, it would return with a top rate of 35% and an exemption of \$5 million - for the next two years. [See: Obama Announces Estate Tax Deal With Republicans: 35% Tax Rate And \\$5 Million Exemption, For Two Years - Hani Sarji - Estate of Confusion – Forbes](#)

In this [great post](#), Derek goes on to point out some key problems with this proposal:

- It needs 60 votes in the Senate
- The House has never passed estate tax reform legislation with these amounts
- Its still a 2 year only deal - how do we advise clients?

Once again, it seems a case of "just get it done" tax law as opposed to considered tax policy. We elect officials to consider and make law - its a shame when the answer is to just put it off and make it somebody else's problem.

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