

Are you ready for estate tax 2011?

Now that the Republicans have secured a large majority in the House and the Democrats continue to hold on the Senate just barely, we can expect a battle royal over the estate tax. One big question for the crystal-ball gazers is when will the legislation be passed? My bet is “not any time soon.” While taxes will be a major issue in the lame-duck session, it won’t be until the next Congress that the real battle will be fought in a House that is in no mood to compromise.

So what happens to the estates of people who die early in the new year? They will have an exemption of only \$1 million that could prove to be disastrous for many families who may not be particularly cash-rich but have a large amount of equity in their houses.

The Democrats and Republicans are still very far apart on the estate-taxation issue – the Republicans set on anywhere from abolishment to \$5.5 million -- and with the President still set on \$1 million threshold, it may be well into the year before there is any agreement on the exemption and tax rate.

What are those married couples who have more than \$2 million (\$1M each) in savings able to do to protect their hard-earned wealth in the meantime?

Many of the tax avoidance tools just are not practical for people with relatively modest wealth. However, at the very least, you should have an experienced estate-planning attorney check your estate plan to ensure that you are sheltering the maximum amount of your estate from taxation, whatever the threshold level. Even abolishment of the tax could have a negative impact for many families who have not updated their estate plan in the last few years.

If you would like more information regarding what you can do now before the end of the year to minimize estate tax in the near future, please call us at 1(877) 858-4724 or [Click HERE to schedule a FREE consultation!](#)