

CLIENT ALERT

2021 Proposed Estate Planning Legislation

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On September 13, 2021, the House Ways and Means Committee released the text of the proposed legislation to fund the Build Back Better Act. In addition to reducing the current lifetime gift/estate and generation-skipping transfer (“GST”) tax exemptions by approximately one-half, the proposed legislation includes several provisions that could affect current estate plans and future estate planning, including changes to the ability to take valuation discounts on gifts of closely held non-business interests, to make sales to grantor trusts and to use grantor retained annuity trusts (“GRATs”) and life insurance trusts.

We are monitoring developments closely. Because new legislation may go into effect quickly, leaving a short period of time to take advantage of the existing law, we recommend that you contact us as soon as possible if one of the following applies to you:

- You have not used all of your lifetime gift and GST tax exemption (currently \$11,700,000 per person or \$23,400,000 per couple).
- You have an existing grantor trust or have considered establishing one.
- You have a life insurance trust.
- You have been considering establishing a GRAT.
- You have non-business assets that can be gifted at a discount (e.g., private investments, private equity interests, hedge fund interests, family LPs or LLCs).

If you are not sure if one of the above applies to you, please reach out.

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If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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