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 **TEXAS Law**
The University of Texas at Austin
School of Law

PLANNING FOR CLIENTS WHO MIGHT HAVE A TAXABLE ESTATE

JEFF CHADWICK
Winstead PC

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Estate planning is easy.

We just need to know
(i) when a client will pass away,
(ii) how wealthy the client will be, and
(iii) what the tax laws will be.

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Overview

- Planning Impact of Transfer Tax Changes
- Three Groups of Clients Based on Projected Net Worth
- Core Estate Planning Alternatives
- Lifetime Gifting Strategies
- Related Ethical Issues
- Concluding Remarks

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Putting Things in Perspective: 2000 vs. 2024

| Tax Attribute | 2000 | 2024 |
|---------------------------------|-------------|--------------|
| Gift/Estate Exemption | \$675,000 | \$13,610,000 |
| GST Tax Exemption | \$1,030,000 | \$13,610,000 |
| Maximum Tax Rate | 55% | 40% |
| Portability of Estate Exemption | No | Yes |

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New Planning Environment

- Large transfer tax exemptions, lower rates, and portability
- Shifting focus – minimize estate tax vs. income tax
- Uncertainty and fluidity of tax laws
 - Exemptions sunset in 2026
 - Potential legislation

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Three Client Groups Based on Projected Net Worth

- 1) Clients who are *unlikely* to have a taxable estate
 - Focus on non-tax objectives
- 2) Clients who are *likely* to have a taxable estate
 - Business as usual
- 3) Clients who *might* have a taxable estate
 - Get creative

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Title search: Planning for Clients Who Might Have a Taxable Estate

Also available as part of the eCourse

[2024 Estate Planning, Guardianship and Elder Law eConference](#)

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