



Reset of the District of Columbia's Estate Tax Exemption

PRACTICE AREAS

Estate Administration

Estate Planning

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"DC has declared its independence from Congress. Effective October 1, 2018, the estate tax exemption for a District of Columbia decedent whose death occurs on or after January 1, 2018, is \$5.6 million, a decoupling from the federal estate tax exemption. DC Council Member Charles Allen (D-Ward 6) observed that the 2018 increase of the federal exemption to \$11.18 million was a decision made by Congress [and DC did not] have any say in it.' In spite of this federal-DC disconnect, the District's taxpayers can still structure their estates to reduce tax liability at death. DC does not impose a gift tax or require the use of estate tax exemption on transfers prior to death. Therefore, District residents who set up inter vivos trusts combined with life insurance may provide their families with tax savings for all."

Ivins' attorney Linda Kotis, along with Andrea Dykes and Carolyn Rogers of Howard Insurance, provide a commentary analyzing the decoupling of the District of Columbia's estate tax exemption with the new federal estate tax exemption, as well as opportunities for tax savings in spite of this change.

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