

One Big Beautiful Bill: Estate and Gift Tax Exclusion and the Generation-Skipping Transfer Tax Exemption Increases to \$15 Million

July 3, 2025

The One Big Beautiful Bill (OB BB), which passed on July 3 and is expected to be signed by President Donald Trump by July 4, increases the amount individuals may transfer for federal estate, gift, and generation-skipping transfer tax purposes. Effective as of January 1, 2026, the federal estate and gift tax exclusion and the generation-skipping transfer (GST) tax exemption will increase to \$15,000,000 per person. This means that in 2026 an individual can transfer \$15,000,000 (increased from \$13,990,000 in 2025) free of any federal estate, gift, or GST taxes either during their lifetime or at death (a combined \$30,000,000 for married couples, increased from \$27,980,000 in 2025). This amount is subject to an annual cost-of-living adjustment such that this \$15,000,000 threshold may change in future years.

Unlike the TCJA legislation, the OB BB increased exclusion and exemption amounts do not expire. If the OB BB was not passed, the federal estate, gift, and GST amounts would have been reduced to approximately \$7,000,000 on January 1, 2026. Of course, a future Congress could always pass a new law to modify the exclusions/exemptions, tax rates or otherwise expand the effect of the federal estate, gift and generation-skipping transfer taxes. Therefore, it may still be beneficial to make transfers earlier rather than later. Furthermore, there are other tax and non-tax reasons to making earlier transfers, such as removing future income and appreciation from a person's estate.

If you have questions about how the Big Beautiful Bill will impact your estate and family wealth transfer goals, please contact your Miller Canfield attorney or one of the authors of this alert.