



# WHAT TYPES OF TAX TO PLAN FOR

## ESTATE TAX

- Tax on the transfer of wealth at death.
- Paid by the decedent's estate BEFORE assets go to heirs
- Applies if estate exceeds the federal exemption.
- Also applies if estate exceeds the state exemption.

## GIFT TAX

- Tax on lifetime transfers of money or property.
- Paid by the giver, not the recipient
- Gifts up to the annual exclusion amount do not require a 709 Gift tax return.
- Gifts over the annual exclusion amount require a 709 + use of lifetime federal exemption.