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The *WRNewswire* is created exclusively for AALU Members by insurance experts led by Steve Leimberg, Lawrence Brody and Linas Sudzius. The *WRNewswire* provides timely reports and commentary on tax and legal developments important to AALU members, clients and advisors, delivered to your inbox as they happen.

TOPIC: Inflation-Adjusted Dollar Amounts for Transfer Tax Items for 2015

SUMMARY: Many of the dollar amounts contained in the Federal transfer tax law, such as the gift tax annual exclusion, are subject to an inflation adjustment based on the prior year's Consumer Price Index. The official inflation adjustments are announced by the Internal Revenue Service at the end of each year, effective for the following year; the unofficial inflation adjusted amounts for 2015 have just been calculated by the Research Institute of America.

FACTS: The inflation adjusted amounts for 2015 for transfer tax items have unofficially been calculated as follows:

1. **Unified estate and gift tax exemption amount.** For gifts made and estates of decedents dying in 2015, the exemption amount will be \$5,430,000 (up from \$5,340,000 for gifts made and estates of decedents dying in 2014).
2. **Generation-skipping transfer (GST) tax exemption.** The GST exemption will be \$5,430,000 for transfers in 2015 (up from \$5,340,000 for transfers in 2014).
3. **Gift tax annual exclusion.** For gifts made in 2015, the gift tax annual exclusion will be \$14,000 (same as for gifts made in 2014).
4. **Special use valuation reduction limit.** For estates of decedents dying in 2015, the limit on the decrease in value that can result from the use of special valuation will be \$1,100,000 (up from \$1,090,000 for 2014).
5. **Determining 2% portion for interest on deferred estate tax.** In determining the part of the estate tax that is deferred on a farm or closely-held business that is subject to interest at a rate of 2% a year, for decedents dying in 2015, the tentative tax will be computed on \$1,470,000 (up from \$1,450,000 for 2014) plus the applicable exclusion amount.

6. **Increased annual exclusion for gifts to noncitizen spouses.** For gifts made in 2015, the annual exclusion for gifts to noncitizen spouses will be \$147,000 (up from \$145,000 for 2014).

RELEVANCE: While these inflation adjusted figures for 2015 are still unofficial, it should be helpful to know what they will likely be for 2015 for planning purposes. Note again that the official inflation adjusted amounts aren't due to be published until right before the end of the year so stay tuned.

WRNewswire #14.9.24 was written by Lawrence Brody of [Bryan Cave LLP](#).

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