

PUBLICATION

Estate Planning -- An Update

November 30, 2011

After three months of deliberations, the Joint Select Committee on Deficit Reduction (the Super Committee) charged with finding ways to cut the nation's deficit, has failed to produce any proposals to reduce the debt. This failure perhaps increases the possibility that the estate and gift tax exemptions will return to \$1,000,000 on January 1, 2013 as currently scheduled.

Further, on November 17, Democratic Representative Jim McDermott introduced the Sensible Estate Tax Act of 2011. This proposed legislation would raise the estate tax rate to 55 percent and decrease the gift and estate tax exemption to \$1,000,000 as early as January 1, 2012.

While the level of support for Representative McDermott's proposed legislation is unclear, both the introduced legislation and the Super Committee's failure highlight the need to act now so as to take advantage of the increased gift tax exemption opportunities. Please refer to our recent [2011 Fall Estate Planning Alert](#) for further insights on such opportunities.

Should you wish to discuss your particular estate planning needs or objectives, please contact one of the attorneys in the Firm's Tax Department.