

Navigating the Greatest Wealth Transfer: Tax Strategies and Planning Essentials

By: Richard Hayes, Managing Director



Are you ready?

No, not for what will surely prove to be one of the most interesting presidential election years in our nation's story but rather I am talking about the greatest period of wealth transfer in our nation's history.

Modest suggestions are that Americans will transfer 1.6 trillion dollars over the next two decades. Baby Boomers have always made their presence felt from their arrival beginning in '46, through '64. In fact, Those Americans born in 1955 have the fine distinction of being the largest birth rate year in our nation's history.

The Boomer Advantage

Wealth transfer is happening and will continue to happen at an even faster rate. It's no wonder, really. The Baby Boomers were afforded the luxury of being born at a time when the United States first became a superpower, buying lower cost homes and watching their homes value triple and beyond the growth any generation had seen before. Further, the stock market has recorded record profits during their lifetimes with no equal in our nation's history.

Tax Planning in 2024

So, what to do, well near term 2024 will bring new exemption and exclusion amounts that are record-setting highs, providing, the most favorable tax environment to date for tax planning. Many planners will feel it is important to utilize the lifetime unified estate and gift tax exemption during the election year before changes are set into motion.

The lifetime unified estate and gift tax exemption amount will increase by \$690,000 from \$12,920,000 to \$13,610,000 which will certainly pique a lot of interest. The annual gift tax exclusion amount will increase by \$1,000 to \$18,000. Another big issue will be the Trump Tax Act provisions sunseting at the end of 2025; unless a legislative change is enacted. Most notably, the above referenced lifetime unified estate and gift tax exemption amount of \$13,610,000 will be reduced to pre-Trump Tax Act levels, estimated to be about \$7 million.

Time is of the Essence

For estate planners with clients whose estates could exceed that amount, time is ticking in a "use it or lose it" situation with the risk of clients paying up to 40 cents on every dollar over the exemption amount to the government instead of their family or chosen beneficiaries. Careful tax planning and leveraging expert counsel will be of the utmost priority.

Empire's Expertise

At Empire, we have been assisting planners and their clients with valuation for wealth planning for over 35 years. Please reach out to your advisor and planner and give us a call if we can be of assistance.

Empire Valuation Consultants has grown into one of the nation's leading and most respected independent valuation consulting firms, preparing 45,000 valuations and assurance engagements over our 35-year history. Our wealth of valuation experience includes nearly every industry and type of investment (equity, debt, real estate-backed assets, intellectual property and intangible assets), offering clients well-balanced valuations that are specifically tailored to each situation. The success of our refined valuation process is reflected in the firm's reputation in the marketplace. Time and again, asset managers, accountants, attorneys and bankers turn to us for timely, defensible, and comprehensible valuation work.



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Rich is a Managing Director at Empire Valuation Consultants. He has close to 40 years of experience in the estate and trust industry and is responsible for furthering the development of Empire's valuation services in this area.

Our estate and gift tax clients extend from small partnerships, to mid-sized corporations, to multi-billion dollar estates, to some of the largest private companies in the country. In addition, we have extensive experience with large estate tax engagements involving multiple entities and complex tiered structures, with situations in which the estate has included interests in over 100 entities.

Rich's experience includes the administration of complex closely held assets and the implementation of sophisticated planning structures for many clients spanning industries such as, manufacturing and distribution, publishing, construction, transportation and retail chains, to name a few.