



TaxNewsFlash

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Proposed regulations: Basic exclusion amount, estate and gift taxes (text of regulations)

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register proposed regulations (REG-106706-18) addressing the effect of changes made by the new U.S. tax law to the basic exclusion amount used in computing federal estate and gift taxes.

The [proposed regulations](#) [PDF 255 KB] will affect the estates of decedents dying after 2017 and donors of gifts made after 2017.

The new U.S. tax law (Pub. L. No. 115-97, enacted December 22, 2017) amended the basic exclusion amount. With the new tax law, the basic exclusion amount is doubled from \$5 million to \$10 million per individual (as indexed for inflation). This enhanced exclusion applies to estates of decedents dying, generation-skipping transfers made, and gifts made after 2017, but is scheduled to sunset after December 31, 2025. The exclusion will be \$11.18 million for 2018 and \$11.4 million for 2019.

The proposed regulations are scheduled to appear in the Federal Register on November 23, 2018. Comments must be received by a date that is 90 days after November 23, 2018. A hearing has been scheduled for March 13, 2019, and outlines of topics to be discussed at the public hearing also must be received 90 days after November 23, 2018.

Read a related IRS release: [IR-2018-229](#)

The purpose of this edition of *TaxNewsFlash* is to provide text of the proposed regulations.

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