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GOBankingRates

IRS Increases Gift and Estate Tax Exempt Limits — Here's How Much You Can Give Without Paying

By David Nadelle, 3 days ago



shapecharge / Getty Images

It's nobler to give than to take, the saying goes, and [giving assets to loved ones](#) while you're still alive is a great way for them to [enjoy the benefits right away](#) — and for you to delight in seeing them enhance their lives.

See: [Top 7 Countries with Zero Income Tax](#)
Find: [What To Do If You Owe Back Taxes to the IRS](#)

In 2024, Americans will have more reasons to give, because the Internal Revenue Service (IRS) has upped the limits for gift and estate tax exemption amounts to their highest exclusion amounts ever.

Those with large estates should always consider gifting during their lifetime as a strategy to help reduce taxes by using the annual gift and lifetime gift and estate tax exemptions.

Annual Gift Tax Exclusion Has Increased

Currently, you can give any number of people up to \$17,000 each in a single year without taxation. For 2024, this will be increased to \$18,000. For married couples, \$36,000 will be available to be given to beneficiaries, tax-free, beginning next year.

Lifetime Gift Tax Exemption

Additionally, the IRS has announced that the lifetime estate and gift tax exemption will increase to \$13.61 million in 2024. If a gift exceeds the annual limit (\$17,000 this year, \$18,000 in 2024), that does not automatically prompt a gift tax. The difference is simply taken from the person's lifetime exemption limit and no taxes are owed.

For example, if you were extraordinarily generous and bought your friend a car for \$20,000, you would exceed the annual limit of \$17,000 for 2023 by \$3,000 but you wouldn't owe additional taxes. By using the IRS [Form 709](#), you would report the gift and deduct \$3,000 from your lifetime exemption of \$12.92 million for this year. If you were planning on such a gift in 2024, you would subtract \$2,000 from your \$13.61 million limit.

Trump-Era Tax Cuts Are Expiring: [What This Means For Retirees](#)

Giving to a Non-US Citizen Spouse

According to the legal professionals at Morgan Lewis, gifts between two American spouses are virtually unlimited (a couple has \$25.84 million in estate tax exemptions and going over this limit will only be taxed at death of the surviving spouse).

But gifts to a non-U.S. citizen, regardless of if they are a U.S. resident, fall under different confines and are subject to an annual tax exclusion amount. For 2024, the annual amount that one may give to a spouse who is not a US citizen will increase to \$185,000 in 2024, up from \$175,000 for this year.

Barring an extension or new legislation, the lifetime estate and gift tax exemption is due to revert to the pre-2017 Tax Cuts and Jobs Act level of \$5.49 million at midnight on Dec. 31, 2025. So, it's important to address your gift-giving plans now, so that you and your most cherished can not only take advantage of the money while both parties are living, but also of the tax exemptions that come with giving.

This article originally appeared on [GOBankingRates.com](#): [IRS Increases Gift and Estate Tax Exempt Limits — Here's How Much You Can Give Without Paying](#)



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 Didn't we already pay taxes on this money when it was earned? It should all be tax exempt if/when we decide to gift it to so meone. Double/Triple taxation much??
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 All the more reason for Trump to be elected in November 2024 to continue with the \$25.84M exemption that will sunset 12 /31/25. Your estate gets killed if it reverts back to 2017 levels.
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