

Top 10 year-end tax planning tips

October 8, 2020 9:00 AM



5. Leverage low interest rates and generous exemptions before they're gone

The historically low interest rates and lifetime gift and estate tax exemptions present a powerful estate-planning opportunity. Many estate and gift tax strategies hinge on the ability of assets to appreciate faster than the interest rates prescribed by the IRS. In addition, the economic fallout of COVID-19 is depressing many asset values. There's a small window of opportunity to employ estate-planning techniques while interest rates are still low and the lifetime gift exemption is at an all-time high. The current gift and estate tax exemptions are set to expire in a few years, and a new administration in the White House could accelerate that timeline.