

## New Federal Exemption Amounts for Estate Tax

### OVERVIEW:

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For estate planning clients keeping a watchful eye on the federal estate tax sunset, there is good news. Under prior law, the estate tax exemption enacted by the Tax Cut and Jobs Act of 2017 was scheduled to end on December 31, 2025, and the exemption amount would have decreased to approximately \$7 million per person in 2026, or approximately \$14 million per married couple.

However, a new law has extended and expanded these limits. The federal government has enacted legislation to maintain the higher exemption amount (\$13.99 million in 2025 per person) and make this increased exemption permanent.

As part of the Opportunity, Balance and Better Budget Act ("OBBBA") - or better known as the One Big Beautiful Bill Act - which was signed into law on July 4, 2025, the lifetime federal estate and gift tax exemption limit has increased to \$15 million per person, or \$30 million for married couples, effective January 1, 2026. The legislation also increases the generation skipping transfer (GST) tax exemption to the same amounts of \$15 million per person. These figures are indexed for inflation and will be adjusted annually.

In addition to the higher exemption amounts, the ability to transfer unused exemption at the death of the first spouse to the surviving spouse (known as "portability") has been continued under OBBBA.

To discuss how these changes impact your individual situation and to maximize estate planning strategies, please reach out to attorney [Julia Parrish](#) or any member of [Barley Snyder's Trusts & Estate Practice Group](#).

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