

## **GIFT TAX EXCLUSION IS \$13,000 IN 2009**

The IRS recently announced that the annual gift tax exclusion will increase in 2009 from \$12,000 to \$13,000 as a result of inflation adjustments. This means that in 2009 each person can give up to \$13,000 tax free, or \$26,000 per married couple, to any number of individuals. If you have a large estate, annual gifts to children and grandchildren may be appropriate to reduce your eventual estate tax.

## **SPECIFIC BEQUESTS**

During these uncertain economic times, you may want to re-visit any specific bequests that you have made in your will or through beneficiary designations. If the value of your estate has decreased, fewer assets may be available to pass on to your intended beneficiaries. As a result, your specific bequests to charities or individuals may no longer be consistent with your initial estate plan. If you have questions about your specific bequests or beneficiary designations, please contact us.

## **ESTATE TAX REPORT**

During the presidential race, you may have heard rumors of a federal estate tax exemption anywhere between \$3.5 million to \$5 million. However, Congress has not taken any recent action to reform the estate tax law. The estate tax exemption is currently \$2 million until 2009 when it increases to \$3.5 million. Under the current law, the estate tax is eliminated for one year in 2010, and returns in 2011 with only a \$1 million exemption. In light of the fluctuating exemption, you should not wait on Congress to update or revise your estate plan.

Goddard & Goddard, P.C. partners with clients on estate planning and estate administration matters, including related issues in real estate, oil and gas, business and tax law, and charitable planning.

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## **DID YOU KNOW...**

Effective October 3, 2008, the FDIC insurance coverage for deposits in bank accounts (such as checking, savings and money market accounts and CDs) has increased from \$100,000 to \$250,000 per depositor and per beneficiary of a revocable trust account. The increase is effective until December 31, 2009.

## **FIRM NEWS**

- *Colorado Biz* magazine ranked Goddard & Goddard as one of the top 100 woman-owned businesses in Colorado in 2008.
- For the third year in a row, Susan B. Goddard was honored as being among the top 5% of attorneys practicing in Colorado in 2008 by *Law & Politics Magazine*.
- Miranda K. Hawkins co-authored the article titled *Four Estate Planning Pitfalls for the Unwary Business Owner* published in *Business Altitude Magazine*.