



## Super Committee May Target Gift and other Transfer Tax Exclusion Amounts

November 4, 2011

As we have mentioned in previous alerts, legislation passed in December 2010 provides that you may give up to \$5 million in 2011, and up to \$5,120,000 in 2012, free of gift tax (or up to twice those amounts if you elect to “split gifts” with your spouse), less certain prior gifts. This gift tax exemption is a temporary provision and is slated to return to \$1 million in 2013.

Currently, there is some speculation that the Joint Committee on Deficit Reduction (also known as the Super Committee), which has been charged with reducing the current deficit by \$1.5 trillion, may propose a reduction of the gift exclusion amount to \$1,000,000 prior to 2013. The Committee must report its recommendations by November 23<sup>rd</sup>.

While we believe it is unlikely that such a proposal will be made, if you are considering making gifts this or next year to take advantage of the higher gift tax exclusion, you may wish to proceed at this time.

For more information about these planning opportunities, please contact one of the following members of the Firm’s Personal Planning Department.

Pamela L. Rollins  
(212) 455-3468  
prollins@stblaw.com

Laura M. Twomey  
(212) 455-3120  
ltwomey@stblaw.com

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## UNITED STATES

### **New York**

425 Lexington Avenue  
New York, NY 10017-3954  
+1-212-455-2000

### **Houston**

2 Houston Center – Suite 1475  
Houston, TX 77010  
+1-713-821-5650

### **Los Angeles**

1999 Avenue of the Stars  
Los Angeles, CA 90067  
+1-310-407-7500

### **Palo Alto**

2550 Hanover Street  
Palo Alto, CA 94304  
+1-650-251-5000

### **Washington, D.C.**

1155 F Street, N.W.  
Washington, D.C. 20004  
+1-202-636-5500

## EUROPE

### **London**

CityPoint  
One Ropemaker Street  
London EC2Y 9HU  
England  
+44-(0)20-7275-6500

## ASIA

### **Beijing**

3919 China World Tower  
1 Jian Guo Men Wai Avenue  
Beijing 100004  
China  
+86-10-5965-2999

### **Hong Kong**

ICBC Tower  
3 Garden Road, Central  
Hong Kong  
+852-2514-7600

### **Tokyo**

Ark Mori Building  
12-32, Akasaka 1-Chome  
Minato-Ku, Tokyo 107-6037  
Japan  
+81-3-5562-6200

## SOUTH AMERICA

### **São Paulo**

Av. Presidente Juscelino Kubitschek, 1455  
12th Floor, Suite 121  
São Paulo, SP 04543-011  
Brazil  
+55-11-3546-1000