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BLAIR & POTTS
ATTORNEYS

**“Super Committee”
Report Could Lead
to Drastic Tax Law
Changes**

TRUSTS & ESTATES ALERT

As you know, we are just days away from the so-called Congressional “Super Committee” issuing its recommendations for reducing the national deficit. Among the numerous proposals rumored to be under consideration, a few could dramatically affect gift, estate and income tax planning.

Recent reports have indicated that the gift tax exemption, which is currently \$5 million and in place through the end of 2012, could be reduced to \$1 million. Other reports discuss a potential decrease in the estate tax exemption from the current \$5 million to a much less generous \$3.5 million. Still other reports highlight a possible reduction or cap on the tax deduction for charitable gifts. Some commentators have suggested that the effective dates for these changes could be in the very near term.

Although it is impossible to know which of the proposals, if any, will eventually become law, it is clear that if you are considering making lifetime gifts, either for income or estate tax purposes, you may wish to accelerate your plans to take advantage of the current, more taxpayer-friendly laws. In any case, based on the current dialogue in Washington, it appears likely that the federal transfer tax system will be less attractive going forward.

Please do not hesitate to call us if you would like to discuss how such changes may affect your plan.

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Four Stamford Plaza 107 Elm Street Stamford, Connecticut 06902
Telephone: 203-327-2333 Fax: 203-327-1731
email: administrator@blairandpotts.com