



MEMORANDUM

TO: OUR CLIENTS
FROM: LAMBZANKEL, LLP
DATE: January 21, 2026
RE: ESTATE PLANNING IN 2026

OUR LATEST UPDATE IN ESTATE PLANNING – KEEPING YOU INFORMED!

The following are updated amounts for the federal estate, gift and generation-skipping transfer tax exemptions, and the New York State estate tax exemption, which became effective on January 1, 2026.

Federal Estate, Gift and Generation-Skipping Transfer Tax Exemptions

On July 4, 2025, the “One Big Beautiful Bill Act” (the “OBBA”) was signed into law by President Trump. Under the OBBA, beginning on January 1, 2026, the federal estate, gift and generation-skipping transfer tax exemptions are made permanent and increased from \$13,990,000 to \$15,000,000 (\$30,000,000 for married couples), subject to annual adjustments for inflation. Thus, individuals may transfer up to \$15,000,000 during their lifetimes or upon death without the imposition of federal gift or estate tax. Individuals also may make generation-skipping transfers of up to \$15,000,000 without the imposition of tax. The federal estate, gift and generation-skipping transfer tax rate remains unchanged at 40%.

Annual Exclusion Gifts

For 2026, the amount that is annually exempted from federal gift taxes, also known as the “annual exclusion,” remains at \$19,000. You may gift up to \$19,000 per year (\$38,000 per year for a married couple) to as many individuals as desired to reduce the value of your estate, without using up any portion of your applicable lifetime gift tax exemption or incurring any gift tax liability.

New York State Estate Taxes

The New York State estate tax exemption has been increased from \$7,160,000 to \$7,350,000; however, for those who die with an estate valued at more than 105% of the 534 Broadhollow Road, Suite 210 • Melville, New York 11747-9034 • Tel: 631.694.2300 • Fax: 631.694.2309 • www.lambzankel.com

\$7,350,000 exclusion, the New York estate tax will apply to the full value of the estate, without application of any exclusion. Additionally, unlike the Federal exemption, any unused New York State exemption is unavailable to a surviving spouse's estate.

Gifting Opportunity Available to New York State Residents:

New York State does not impose a gift tax. Thus, you may reduce the value of your estate subject to New York State estate taxes by making unlimited gifts during your lifetime. The only caveat is that any gifts made within three years of your death will be "clawed" back into your estate for purposes of computing the New York State estate tax.

If you have any questions regarding your estate planning, please contact Jeffrey A. Zankel (jaz@lambzankel.com), Diane J. Moffet (djm@lambzankel.com), Gia Foster (gf@lambzankel.com) or one of our other attorneys at 631-694-2300.

THIS MEMORANDUM IS MEANT TO ASSIST IN GENERAL UNDERSTANDING OF THE CURRENT LAW. IT IS NOT TO BE REGARDED AS LEGAL ADVICE. THOSE WITH PARTICULAR QUESTIONS SHOULD SEEK THE ADVICE OF COUNSEL.

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