



Maryland Wills & Trusts **December 2018** (v.19.01)

Legal Developments

Increased Federal Tax Exemptions (effective January 1, 2019)

Applicable Exclusion Amount: \$11,400,000 (up from \$11,180,000)
GST Exemption Amount: \$11,400,000 (up from \$11,180,000)
Gift Tax Annual Exclusion Amount: \$15,000 (no change from 2018)

Increased Maryland Estate Tax Exemption and Portability (effective January 1, 2019)

The program has been updated to reflect the increase in the Maryland estate tax applicable exclusion amount from \$4,000,000 to \$5,000,000 effective for decedents dying after December 31, 2018. Beginning in January 2019, the “deceased spousal unused exclusion amount” (DSUEA) is made portable for Maryland estate tax purposes, as well as for federal estate tax purposes. In addition, each individual’s applicable exclusion amount is increased to \$5,000,000, meaning that a married couple will be able to pass \$10,000,000 without incurring the Maryland estate tax and without using a tax formula clause. For many couples with estates of less than \$10,000,000, the spouses will want to leave the entire estate outright to the surviving spouse, allowing for a simpler estate plan. Other couples may still wish to leave assets in trust for the surviving spouse, for a variety of reasons. Now that Maryland has portability, these couples can add flexibility to the plan by leaving the estate to the surviving spouse in a QTIP trust, rather than using a tax formula. At the death of the first spouse to die, the first spouse’s DSUEA can be applied by filing a Maryland Estate Tax return calculating the DSUEA and electing portability. *Question 353*

Updated Product Features

New Maryland Portability Provision Added

A new subsection has been added to the ELECTION FOR PORTABILITY article along with revised Law and Strategy. *Question 1003*

New ‘Name of 2nd Grantor’ Question Added to Certificate of Trust

A new question asks to enter the name of the 2nd Grantor if the Certificate of Trust is for a joint trust in order to clarify the grammar relating to the term Grantor(s). *Question 1381*

Other

- New Joint Trust Agreement choice added to the Documents Included question for the Sending Letter. *Question 1516*
- Product files - We are replacing the 'Law_Surf' file with a new 'Sample' file. You may delete the 'Law_Surf' file if you wish.

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To view those questions that are new in this update, or where **Law & Strategy**, choices, or default answers have changed, use the "**Up_1901**" flag file. From inside Lawgic, open any existing answer file; on the **Flags** menu, click **Open Flags**, select the appropriate Title (click **OK**), and next select the "**Up_1901**" flag file (and click **OK**). To view all flagged questions, click **Expand All** on the **Answers** menu and scroll the Navigator. Flagged questions will be indicated with **blue bold** text.

Please continue to send us your suggestions on existing or new products. Contact our Technical Support Department at 1-877-2-LAWGIC (252-9442) or e-mail us at support@lawgic.com.