2027 Federal Tax Numbers: What the New Figures Mean for Your Plan

November 16, 2026

By: Rahil (RJ) Darbar, Joseph Dolan, Crystal Edwards, CELA*, John Elias, Maria Galante, Daniel Makoski, Philip Siana, Deirdre Wheatley-Liss, CELA*, Samuel Buchbauer, Sandra Busell, Christina Donat, Charles Falk, Kaitlin Hackett, Andrew Lawson, Hannah Nagy, I. Richard Ploss, Tyler Pride, Elizabeth Shea, Ryann Siclari, CELA*

The IRS has released its 2027 inflation adjustments. The estate, gift and GST exemption rises to $15.48 million per individual, and the annual gift exclusion increases to $20,000 per recipient. Each figure went up, but how much of that room a family can use still depends on asset type, basis, trust design and the state where they live.

We break down the key 2027 figures and what they mean for families, trusts, business owners and holders of appreciated real estate. It also covers New York and New Jersey rules and the steps to take before year-end.

PORZIO
BROMBERG & NEWMAN

CLIENT & ADVISOR ALERT ·

The 2027 numbers are in. The details still decide

The IRS has published its inflation adjustments for 2027. Each figure moved up, but how much of that room a family can use depends on asset type, basis, trust design and the state where they live.

ESTATE, GIFT & GST EXEMPTION

$15.48M +$480K

Per individual; $30.96 million for a married couple with proper planning.

ANNUAL EXCLUSION

$20,000 +$1K

Per recipient. $40,000 when spouses elect to split gifts.

NON-CITIZEN SPOUSE

$201,000

Annual exclusion for gifts where the marital deduction is unavailable.

T

$

Ta
re
37

WHERE THE NUMBERS MATTER

FAMILIES & LIFETIME GIFTING

The question has shifted to which assets

With the exemption indexed and no scheduled sunset, the pressure to gift before a deadline has eased. What remains is choosing the right assets and the right vehicle to hold them. The GST exemption governs gifts meant to reach grandchildren and, unlike the estate exemption, cannot pass to a surviving spouse.

BUSINESS OWNERS

QSBS and estate tax deferral reward early structuring

For qualified small business stock issued after July 4, 2025, the gain exclusion phases in at 50%, 75% and 100% after three, four and five years, with a per-issuer cap of **$15.48 million** (or ten times basis, if greater). Where a closely held business exceeds 35% of the estate, IRC §6166 can spread estate tax over up to 14 years, with a 2% interest rate on the tax attributable to the first **$2.01 million** of value.

TRUSTS & FIDUCIARIES

Retained income reaches the top rat

A trust that accumulates income reaches the 3.8% net investment income tax, at just **$16,** beneficiaries in lower brackets can shift that rule lets trustees treat distributions made thr as 2026 distributions. We weigh that against trust was built to provide.

REAL ESTATE & APPRECIATED ASSETS

Basis can matter as much as the exe

An asset given during life keeps the donor's held until death generally receives a basis a at death. That often makes cash and high-ba gifts, while long-held, low-basis real estate i if held. Assets expected to appreciate sharp analysis.

COMMON MISASSUMPTIONS

"The higher exemption expired in 2026."
Legislation enacted in 2025 replaced the scheduled reduction with a $15 million base, now indexed for inflation.

"My spouse's unused exemption carries over automatically."
Portability requires a timely filed federal estate tax return, even when no tax is due.

"A gift to a trust counts toward the annual exclusion."
Only when the trust gives beneficiaries a present interest, usually through properly administered withdrawal rights.

THE NEW YORK & NEW JERSEY OVE

New York

Imposes its own estate tax with an exclus federal amount. An estate that exceeds it loses the exclusion entirely, and certain g three years of death are added back.

New Jersey

Has no estate tax, but its inheritance tax transfers to siblings, children-in-law, niec friends, at rates up to 16%.

BEFORE YEAR-END

1 **Complete 2026 annual exclusion gifts** at $19,000 per recipient by December 31; the $20,000

2 **Revisit formula clauses** in wills trusts. A clause keyed to the fe

Download the 2027 Numbers