

TAX TIPS

GIFTING THE KIDS TAX-FREE

Zillionaires may gift their children to lessen estate taxes in the future; they pay gift taxes now on the assumption that the assets transferred will appreciate before they die. Most of us, though, give funds to our kids to help them get something important—a large-enough down payment for a house, perhaps.

Starting this year, you can give a gift of \$14,000 to your children—or any other individuals—free of gift tax. It doesn't even have to be reported. That's \$1,000 more than last year. And married couples can give double the amount.

Does that mean you can't give the kid a present later this year for his birthday or a laptop when he goes off to college? Not to worry. The Internal Revenue Service is not likely to track your casual spending—though it might note a gift of stock or a large check. If an estate is audited, the IRS may request bank and brokerage accounts of the decedent for three years before death.

Want to spread the wealth? We'll show you how you can benefit the family tax-free. See us at
