Estate & Gift Tax
Prof. Jack Bogdanski
Fall 2025

First Week Reading Assignments and Questions

For Monday August 25:

Study Casebook Chapters 1, 6, and 7 (pages 3–14, 37–51). Study my handout "Estate and Gift Tax: Post-2015 Developments." Think about, and be ready to discuss, the question on page 14 of the Casebook.

For Wednesday August 27:

Study Casebook Chapters 5, 9, and 10 (pages 27–35, 65–81). Be ready to answer the questions below (disregarding the questions on Casebook pages 81–82).

Recommended Additional Reading for First Two Weeks of Class

It is highly recommended that sometime during the first two weeks of the semester, you also read on your own Chapters 2, 3, and 4 of the Casebook. These chapters will not be covered in class, because you should have already been exposed to these matters in your Income Tax I class (or are being exposed to them in that course this term). These three chapters amount to only 13 pages total, but the matters they discuss are important.

Questions for August 27

For all questions below, assume that the 2025 estate and gift tax law ($13.99 million exemption, 40% top rate, and $19,000 gift tax annual exclusion) is in effect for all years.

1. In 2025, Parent (a wealthy widow who has made no prior taxable gifts) gives $14,019,000 in cash to Child. What is Parent's gift tax liability for 2025? Assume that when Parent's spouse died, the spouse had used up all of the spouse's unified credit.

2. In 2026, Parent in Question 1 gives an additional $1,019,000 in cash to Child. What is Parent's gift tax liability for 2026?

3. D, a widower, dies in 2030 without ever having made any lifetime gifts. What estate tax would be payable if, at D's death, D has the following assets and deductible expenses, claims, and bequests? Assume that when D's spouse previously died, the spouse had used up all of the spouse's unified credit:

Home, car, stock, etc. (included in D's gross estate by § 2033)	$ 7,800,000
Life insurance on D's life paid to his estate (included by § 2042)	3,000,000
Land held in joint tenancy with Child for which D paid the entire purchase price (the full value of the land included by § 2040)	3,790,000
Funeral and administrative expenses (deductible under § 2053)	15,000
Claims against D's estate (deductible under § 2053)	15,000
Charitable bequests (deductible under § 2055)	70,000

4. Assume that D in Question 3 is Parent in Questions 1 and 2. What is D-Parent's estate tax liability upon D-Parent's death in 2030?

5. Compare the total taxes a donor or decedent would pay (assuming only the use of the unified credit, without regard to the gift tax annual exclusion, any other exclusions, or deductions) if she had assets with a constant value of $18,990,000, and the owner:

(a) Held the assets until her death in 2029; or alternatively,

(b) Gave away $15,990,000 in 2025, paid the gift tax out of her remaining assets, and held the rest of her assets until her death in 2029.