Hannah Law Announces Critical Estate Tax Exemption Increase to $13.99 Million for 2025

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Hannah Law, PC announces that the federal estate and gift tax exemption has increased to $13.99 million per individual for 2025, representing a $380,000 increase from the 2024 threshold of $13.61 million. This adjustment provides Texas families with expanded opportunities for estate planning before potential legislative changes take effect in 2026.

The current exemption levels, which allow married couples to shield nearly $28 million from federal estate taxes, face significant reduction at the end of 2025. Without congressional action, these thresholds will automatically revert to approximately $5 million per individual, adjusted for inflation, when current tax provisions expire.

"The substantial increase in the estate tax exemption for 2025 creates an important window for families to implement comprehensive estate planning strategies," said Jeffrey Hannah, founding partner at Hannah Law, PC. "With the exemption potentially dropping by more than half in 2026, individuals with significant assets should review their estate plans now to maximize the benefits of current tax laws."

The 2025 exemption increase affects various estate planning tools and strategies. Lifetime gifting strategies become more attractive as individuals can transfer larger amounts without incurring federal gift taxes. Dynasty trusts and generation-skipping transfer trusts can now be funded more generously, allowing families to preserve wealth across multiple generations. Business owners particularly benefit from the higher thresholds when structuring succession plans and transferring ownership interests to family members.

Hannah Law estate planning lawyer professionals emphasize that estate planning involves more than tax considerations. While the federal exemption protects many estates from federal taxes, proper planning ensures assets transfer according to individual wishes, minimizes family conflicts, and addresses guardianship concerns for minor children. Texas residents should also consider state-specific probate procedures and community property laws when developing their estate plans.

The timing of estate planning reviews has become increasingly important given the uncertainty surrounding future tax legislation. Individuals who previously established estate plans when exemptions were lower may need to update their documents to reflect current thresholds and planning opportunities. Those who have never created formal estate plans face particular urgency, as implementing comprehensive strategies requires time for proper structuring and documentation.

An estate planning lawyer can help navigate the complexities of current tax laws while preparing for potential changes. Strategic planning now may include irrevocable trusts, charitable giving structures, and family limited partnerships designed to maximize current exemptions while maintaining flexibility for future adjustments.

Hannah Law, PC specializes in comprehensive estate planning services for Texas families, including wills and testaments, living trusts, powers of attorney, advanced healthcare directives, and trust administration. The firm guides clients through creating customized estate plans that protect assets, minimize tax obligations, and ensure family security. With offices serving The Woodlands, Sugar Land, Friendswood, and Houston communities, Hannah Law provides experienced counsel in estate planning, probate, and family law matters.
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Hannah Law

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team is dedicated to guiding you toward the best outcome with expertise and care.

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