Re: Notice of Estate Tax Law Changes That May Impact Your Estate Plan

Dear [*Name*]:

The federal estate tax exemption has increased dramatically in recent years. In 2019, the federal estate tax exemption increased to $11.4 million and is adjusted for inflation. In Oregon, the estate tax exemption remains set at $1 million and is not adjusted for inflation. The tax rate for the federal estate tax is 40%, whereas the Oregon estate tax rate is a sliding scale from 10%-16%. The differences between the Oregon and federal estate tax exemptions and tax rates provide numerous planning pitfalls and opportunities.

For married couples, the low state exemption may cause unexpected surprises. For example, a surviving spouse must file an Oregon estate tax return if the decedent dies with over $1 million in gross assets even if the unlimited marital deduction results in no tax being due. Further, as property values continue to increase, the Oregon estate tax remains at $1 million. This results in even more individuals being subject to the Oregon estate tax. Many couples need to update their estate plans to minimize their estate tax exposure.

I am contacting you because our firm previously prepared estate planning documents on your behalf. When we drafted your documents, we used the estate tax rules then in effect. Given the current tax law, however, your estate planning documents may cause income tax issues due to an outdated funding formula or they may not optimize your estate tax savings.

To determine whether we need to update your plan, please call our office to schedule an appointment. We will then discuss any recommended revisions to your estate plan.

Warm Regards,

*[Attorney]*

[*Firm*]

**Note to Practitioners:** Tax laws change frequently. Future changes in tax law may impact the material contained in this sample letter. It is the responsibility of the attorney to ensure no changes have occurred since the date listed in the footer.

**IMPORTANT NOTICES**

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