

[29] Estate & Gift Taxes: The lifetime estate and gift tax exemption for 2022 jumped from \$11.7 million to \$12.06 million — \$24.12 million for couples if portability is elected by timely filing IRS Form 706([opens in new tab](#)) after the death of the first-to-die spouse. In addition, the deadline for electing portability is pushed back from two years to five years for smaller estates that aren't required to file Form 706 because their assets don't exceed the exemption amount.

The special estate tax valuation of real estate also increases for 2022. For the estate of a person dying this year, up to \$1.23 million of farm or business real estate can receive discount valuation (up to \$1.19 million in 2021), letting the estate value the realty at its current use instead of fair market value.

More estate tax liability qualifies for an installment payment tax break, too. If one or more closely held businesses make up greater than 35% of a 2022 estate, as much as \$656,000 of tax can be deferred and the IRS will charge only 2% interest (up to \$636,000 for 2021).

Finally, the annual gift tax exclusion for 2022 rises from \$15,000 to \$16,000 per donee. So, you can give up to \$16,000 (\$32,000 if your spouse agrees) to each child, grandchild or any other person in 2022 without having to file a gift tax return or tap your lifetime estate and gift tax exemption.