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TAX

Clients aren't likely to face estate taxes. But they still need a plan

By **Tobias Salinger** April 04, 2025, 3:02 p.m. EDT 4 Min Read



The political calculus involved with the details of estate planning next year and beyond may be distracting financial advisors and clients from a larger, simpler conversation, one expert says.

On the off chance that the federal estate-tax exemption levels of \$13.99 million for individuals (and double for couples) revert to half those amounts when Tax Cuts and Jobs Act provisions expire in 2026, only 0.2% of households would face potential duties upon transfer of assets, according to Ben Rizzuto, a wealth strategist with [Janus Henderson Investors'](#) Specialist Consulting Group. He predicted that most financial advisors and high net worth clients, such as those he works with and others across the industry, will see no changes.

With [few other revenue-raising provisions](#) available to President Donald Trump and Republican lawmakers, they're not likely to shield all estates from payments to Uncle Sam — as much as they might like to play undertaker to the "Death of the Death Tax," Rizzuto said, using the label for estate taxes adopted by critics favoring bills [like the "Death Tax Repeal Act."](#) Lawmakers' decisions on future [exemptions from the taxes](#) (and when they make those decisions) remain out of advisors' control. Meanwhile, they must remind clients that estate planning is much [more than having a will](#) and avoiding taxes, Rizzuto said.



about it, there are still a lot of good conversations to be had."

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The 1%

Trust tools that reduce the value of the assets that will transfer to spouses or other beneficiaries upon a client's death, combined with the available statistics about the shrinking share of estates subject to taxes, could bring some peace of mind to clients. The 2017 tax law itself pushed down estate tax liability as a percentage of gross domestic product to a quarter of its 2001 level, [according to](#) an analysis by the "Budget Model" of the University of Pennsylvania's Wharton School. Just two years after the law's passage, the number of taxable estates had plummeted to 1,275 – or 1% of the number at the beginning of the century.

At the same time, advisors could raise any number of questions with clients [about their estates](#) that involve [varying degrees of expertise](#) and collaboration [with outside professionals](#). And [many surveys have found](#) that clients are [expecting them to do so](#). For example, at least 70% out of a group of 10,000 adults [contacted in January](#) by WeAreTalker (formerly OnePoll) on behalf of online legal information service Trust & Will said advisors should offer estate planning. In addition, 40% of the group said they would switch to an advisor who provided that service.

"We're seeing a fundamental shift in client expectations," Trust & Will CEO Cody Barbo said [in a statement](#). "The findings are clear. Advisors who fail to integrate estate planning into their practice aren't just missing an opportunity; they are facing a threat to their client base as wealth transfers to younger generations over the next two decades."

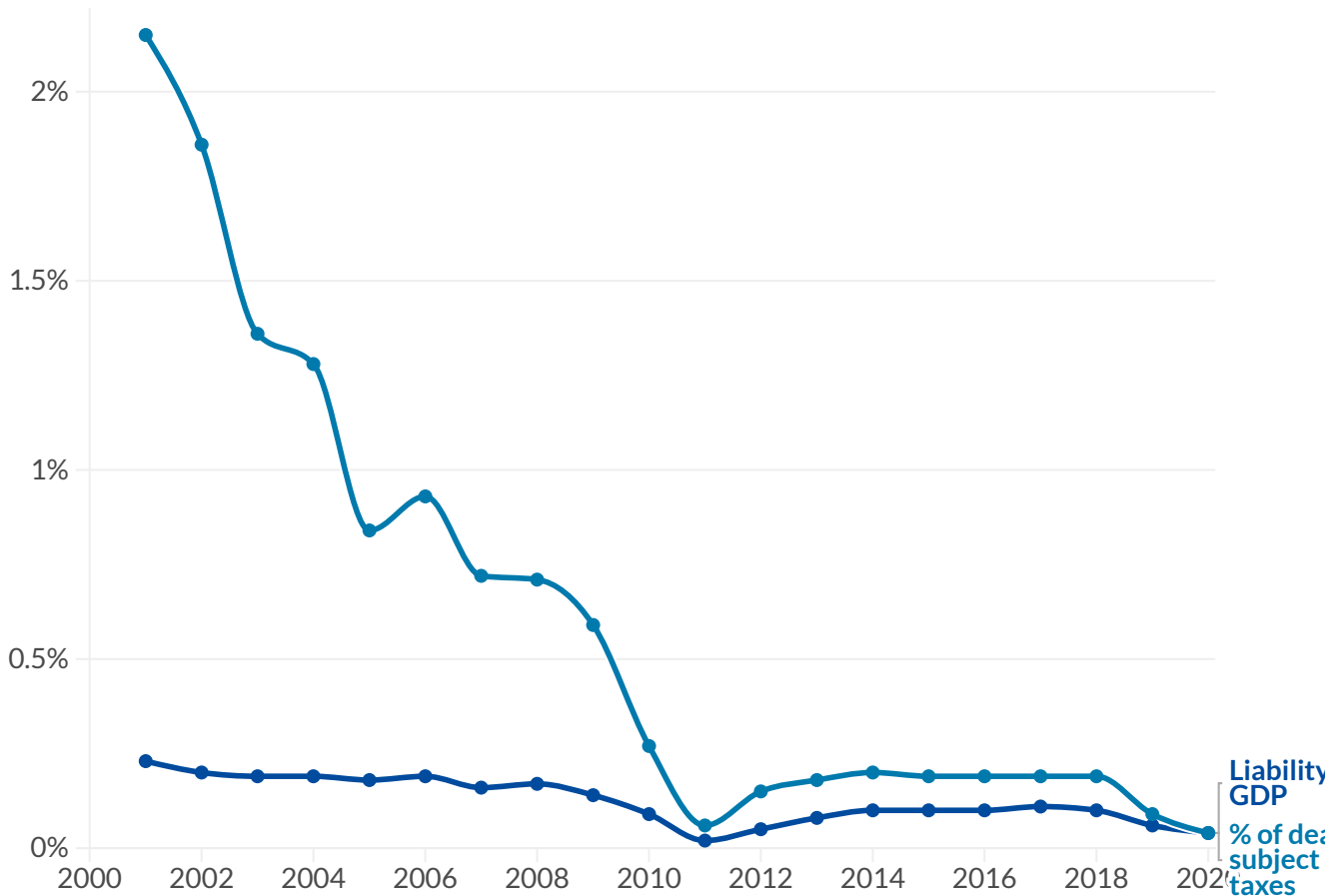
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Financial Planning



estates subject to federal taxes, 2001-2020



Source: "Decomposing the Decline in Estate Tax Liability Since 2000," Penn Wharton Budget Model, July 2022

Get back to the planning basics

In that context, advisors and their clients should steer clear of trying to make sense of a complicated, ever-changing flow of news from Capitol Hill as Trump and the GOP pursue major tax legislation with a year-end deadline, Rizzuto said. If clients truly could be on the hook for estate taxes, a [grantor retained annuity trust](#), a [spousal lifetime access trust](#) or gifting strategies may eliminate the possibility. One method involved with the latter could set them up in the future to receive stock that is "highly appreciated with lower basis," Rizzuto noted, citing the example of equities that have gained a lot of value that a client could give to their parents.

"Why not gift them upstream?" Rizzuto said. "My father holds it. I tell him, 'Dad, you have to do



talking about with advisors."

From another perspective, these possible paths forward may beckon to clients this year, if they are tuning into Beltway news about the progress of the tax legislation, he said. To bypass the risk of client perceptions that their advisor isn't doing any tax planning at all, Washington's complex maneuvering around the future rules is, "if nothing else," a "great opportunity for advisors to bring this up at a very high level," Rizzuto said.

"Advisors will really need to go back to basics and have some foundational conversations with clients," he said, suggesting their goals with taxes as one key point of discussion. "'What is it that we actually control within your financial and tax plan?' When it comes right down to it, it's really just incomes and deductions."

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