



Contact:

November 25, 2019

Ryan C. Sheppard, CPA, CFF
Partner
Knight Rolleri Sheppard CPAS, LLP
rcs@krscpasllp.com

Q: How much can I gift without needing to file a gift tax return?

A: For tax year 2019, you can gift up to \$15,000 to each individual. This is considered the annual gift tax exclusion. You can gift to as many individual as you wish, as long as your gift is \$15,000 or less to each individual. If your gift exceeds the annual exclusion, you will be required to file a gift tax return. However, no tax will be due until you exceed your lifetime gift limit of \$11.4 million (indexed for inflation).

Q: What form do you file for a gift tax return and when is it due?

A: Form 709 is an annual return. The due date of the return is April 15th, but you can request a 6-month extension of time to file to October 15th.

Q: What can be excluded from gifts?

A: The following types of gifts do not require a gift tax return even if they exceed the annual exclusion amount:

1. Gifts to spouses
2. Payment of tuition directly to the school
3. Payment of medical expenses directly to the medical facility
4. Contributions to political organizations
5. Contributions to charity

Q: What does it mean to “split gifts”?

A: You can't file a joint gift tax return if you are married. Each spouse must file a separate return if he or she makes any taxable gifts. You can, however, choose to “split” gifts with your spouse. Making a split gift allows you to take advantage of your annual gift tax exclusion plus your spouse's exclusion for a gift that is made entirely by you, but the gift must come from a joint account.