

Table 3

Historical Features of The Gift Tax

Year	Tax Rate Range	Annual Exclusion per donee	Exemption or Equivalent Amount	Unified Credit	Maximum Marital Deduction
1924	1 - 25%	\$500	\$40,000	N.A.	N.A.
1926	N.A.	N.A.	N.A.	N.A.	N.A.
1932	0.75 - 33.5	5,000	50,000	N.A.	N.A.
1934	0.75 - 45	5,000	50,000	N.A.	N.A.
1936	1.5 - 52.5	5,000	40,000	N.A.	N.A.
1942	2.25 - 57.75	4,000	40,000	N.A.	N.A.
1943	2.25 - 57.75	3,000	30,000	N.A.	N.A.
1949	2.25 - 57.75	3,000	30,000	N.A.	50 % of Gift
1955	2.25 - 57.75	3,000	30,000	N.A.	50 % of Gift
1977	18 - 70	3,000	120,667	\$30,000	50 % of Gift
1978	18 - 70	3,000	134,000	34,000	50 % of Gift
1979	18 - 70	3,000	147,333	38,000	50 % of Gift
1980	18 - 70	3,000	161,563	42,000	50 % of Gift
1981	18 - 70	3,000	175,625	47,000	50 % of Gift
1982	18 - 65	10,000	225,000	62,800	100 %
1983	18 - 60	10,000	275,000	79,300	100 %
1984	18 - 55	10,000	325,000	96,300	100 %
1985	18 - 55	10,000	400,000	121,800	100 %
1986	18 - 55	10,000	500,000	155,800	100 %
1987	18 - 55	10,000	600,000	192,800	100 %
1996	18 - 55	10,000	600,000	192,800	100 %
1998	18 - 55	10,000*	625,000	202,050	100 %
1999	18 - 55	10,000*	650,000	211,300	100 %
2000	18 - 55	10,000*	675,000	220,550	100 %
2001	18 - 55	10,000*	675,000	220,550	100 %
2011	18 - 55	Indexed	1,000,000	345,800	100 %

Note: Year reflects period when feature took effect. See Table 5 for temporary provisions in effect for 2002-2010.

* The inflation adjustment is rounded down to the nearest \$1,000. In other words, the exemption increases in \$1,000 increments. For the years 2002 through 2005, the exemption was set at \$11,000. This increased to \$12,000 in 2006.