

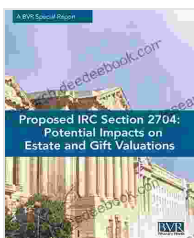
# Potential Impacts on Estate and Gift Valuations

Estate and gift valuations are an important part of financial planning. The value of your estate and gifts will determine how much estate tax and gift tax you owe. In recent years, there have been a number of economic and legal developments that have the potential to impact estate and gift valuations.

In this article, we will discuss the following potential impacts:

- Rising interest rates
- Inflation
- Changes in tax laws
- The impact of cryptocurrency and digital assets on valuations

We will also provide guidance on how to mitigate the risks and maximize the value of your estate and gifts.



## Proposed IRC Section 2704: Potential Impacts on Estate and Gift Valuations by Cointelegraph Research

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One of the most significant economic developments in recent years has been the rise in interest rates. Interest rates have a direct impact on the value of assets, such as stocks, bonds, and real estate. As interest rates rise, the value of these assets tends to decline.

This decline in asset values can have a negative impact on estate and gift valuations. For example, if you own a portfolio of stocks and bonds, the value of your portfolio may decline as interest rates rise. This decline in value could reduce the amount of estate tax or gift tax you owe.

However, rising interest rates can also have a positive impact on estate and gift valuations. For example, if you have a loan with a variable interest rate, your monthly payments may increase as interest rates rise. This increase in payments could reduce the amount of equity you have in your home. This reduction in equity could reduce the value of your estate for estate tax purposes.

Inflation is another economic factor that can impact estate and gift valuations. Inflation is the rate at which the prices of goods and services increase over time. As inflation rises, the value of money decreases.

This decrease in the value of money can have a negative impact on estate and gift valuations. For example, if you own a piece of real estate, the value of your property may not keep pace with inflation. This could result in a lower estate tax or gift tax value for your property.

However, inflation can also have a positive impact on estate and gift valuations. For example, if you have a pension or other retirement account, the value of your account may increase over time as inflation rises. This increase in value could increase the amount of estate tax or gift tax you owe.

In recent years, there have been a number of changes in the tax laws that could impact estate and gift valuations. For example, the Tax Cuts and Jobs Act of 2017 doubled the estate tax exemption and the gift tax exemption. This means that more people will be able to pass on their assets to their heirs without paying estate tax or gift tax.

However, the Tax Cuts and Jobs Act also made some changes to the rules for valuing assets for estate tax and gift tax purposes. These changes could have a negative impact on estate and gift valuations. For example, the new law eliminates the "stepped-up basis" for inherited assets. This means that when you inherit an asset, the basis of the asset for capital gains tax purposes will be the same as the basis of the asset for the person who died. This could result in a higher capital gains tax liability when you sell the asset.

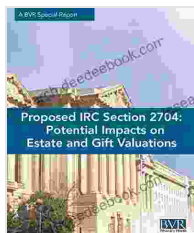
Cryptocurrency and digital assets are becoming increasingly popular. These assets can be difficult to value for estate tax and gift tax purposes. This is because there is no clear consensus on how to value these assets.

The IRS has issued some guidance on valuing cryptocurrency for estate tax and gift tax purposes. However, this guidance is still evolving. As a result, it is important to consult with an estate planning attorney or other qualified professional if you own cryptocurrency or other digital assets.

There are a number of steps you can take to mitigate the risks and maximize the value of your estate and gifts. These steps include:

- **Regularly review your estate plan.** Your estate plan should be reviewed regularly to ensure that it is up-to-date. This is especially important if there have been any changes in your financial situation or in the tax laws.
- **Consider using a qualified appraiser.** A qualified appraiser can help you determine the value of your assets for estate tax and gift tax purposes. This can help you avoid disputes with the IRS.
- **Make use of tax-saving strategies.** There are a number of tax-saving strategies that you can use to reduce the amount of estate tax and gift tax you owe. These strategies include making gifts during your lifetime, using a charitable remainder trust, and using a life insurance policy.

The potential impacts of recent economic and legal developments on estate and gift valuations are complex. It is important to consult with an estate planning attorney or other qualified professional to discuss how these developments may impact your estate and gift plans.



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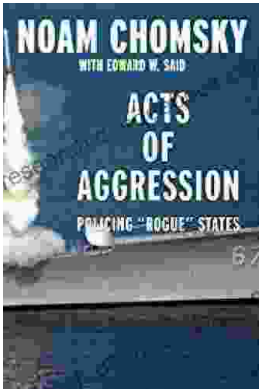
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