As McKinney estate planning attorneys, we stay up-to-date on developments in estate planning law that impact our clients. Recent developments include the increase in the federal estate tax exemption from $5 million to $10 million under the Tax Cuts and Jobs Act of 2017, and the Texas legislature's improvement of the law on durable powers of attorney, making it easier for beneficiaries to avoid costly and time consuming guardianship proceedings. Our Estate Planning Practice is experienced in preparing numerous estate planning tools, including durable powers of attorney, health care directives, trusts, wills, family living partnerships, and giving and asset protection strategies.

Federal Estate Tax Exemption Increased to $10 Million

The Tax Cuts and Jobs Act of 2017, signed by President Trump on December 22, 2017, doubled the estate, gift and generation-skipping transfer tax exemption, by increasing the exemption from its $5 million base to $10 million in 2018. Under the TCJA, the higher exemption will continue through 2025.

Texas Legislature Changes Law on Durable Powers of Attorney

A power of attorney is a legal document that gives someone you choose the power to act in your place. A "durable" power of attorney stays in effect if you become incapacitated. In September of 2017 the Texas legislature made several beneficial changes in the laws governing durable powers of attorney. Among other improvements, the new law requires financial institutions and others who are asked to accept durable powers of attorney to make a determination as to whether the power will be accepted or not within a reasonable time frame and under reasonable guidelines. This is of enormous benefit to individuals who may now more easily be able to rely on their validly-executed durable powers to avoid costly and time consuming guardianship proceedings.

Other Recent Legislative Changes

The Texas legislature also addressed the management and disposition of digital assets (such as email accounts, social media accounts, and online photos and videos) in the estate planning process, including whether they may be accessed by a durable power of attorney. Other recent developments include:

- Small estate administration by affidavit amount increased from $50,000 to $75,000;
- Publication of notice to creditors of probate administration only required in a newspaper of “general circulation in the county,” regardless of where the newspaper is printed;
- Procedure authorized for partition of tenancy in common under which fair market value is determined, co-tenant is given option to buy out other cotenants and, if buyout right is not exercised, property is either partitioned or sold in the open market; and
- Co-tenant heir can acquire title by adverse possession (that is, if the co-tenant held the property in peaceable and exclusive possession for an uninterrupted 10-year period and paid property taxes).

Let McKinney Estate Planning Attorneys Assist You

If you have questions concerning any of these developments and how they might impact your estate planning needs, we welcome you to contact the McKinney estate planning attorneys at Nordhaus & Nordhaus at (214) 726-1450 or by email for a free consultation.