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<u>Correction</u>: Chapter 11 "Smart Strategies for Gifting Assets to Family Members"; page 166; 4th bullet point should read as follows:

- If your gift results in a taxable gift, you, not the donee, are generally responsible for paying the tax. For gifts in excess of the annual exclusion amount ($14,000 for 2015), you must file a gift tax return (Form 709 by April 15 of the following tax year or later if you file an extension) and fully utilize your lifetime *applicable exclusion amount* before any gift taxes must be paid. This lifetime applicable exclusion amount refers to the total you may transfer during life or at death. Gifts that qualify for the annual exclusion do not count towards the applicable exclusion amount. For 2015, the applicable exclusion amount is equal to the basic exclusion amount of $5,430,000 (indexed annually for inflation) plus any unused exclusion from a predeceased spouse. If you remember from previous discussions in this book, the federal tax law allows you to give to whomever you wish, either during your lifetime or at your death, an amount equal to the lifetime applicable exclusion amount free of federal estate taxes. Notice how this exclusion amount has changed over the past few years (see Table 11.1).