
R.C. THORNTON & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

February 11, 2020

Gifts for 2019 Tax Year

Gift Tax Returns

The purpose of this email is to check to see if you made any gifts during the year ended December 31, 2019. A gift is any gratuitous transfer of value to another person. If you made any gifts during the year, you might have a gift tax return filing requirement.

Gift Tax Return Rules

Before considering the rules for when a gift tax return would be required, please note that the following payments are not considered to be gifts:

- Payments of any medical or education expenses (paid directly to the institution) for an individual.
- Any amount of charitable contributions.

If you made gifts, you are required to file a return when:

- Your gift was more than \$15,000 to any individual.
- The combined gifts by you and your spouse to any individual were more than \$30,000.
- Note that funds transferred into a trust where you are not the beneficiary may be gifts (e.g. funds to purchase life insurance into a trust with your children as beneficiaries).

If you have made no gifts, or only gifts less than the amounts indicated above, then there are no filing requirements for you and no further action is required on your part.

If you have made gifts in excess of the amounts above, then there is likely a gift tax return to be filed. No further action is required at this time. The extension for your individual return also applies for any gift tax return due, so any gift tax return required can be completed in conjunction with your individual return. Please be sure to send in any information related to your gifts with your completed tax organizer.

If you have a question about a gratuitous transaction (e.g. transfers to a trust) or the amounts listed above, please contact our office at 602-678-7067.