

where the deceased spouse's estate is under the exclusion amount or the disposition to the surviving spouse is outright, it still has nuances and unanswered questions. Also, if a married couple wants to do generation-skipping planning for their descendants, they must actively use the GST exemption of the first spouse to die, or that exemption will die with her.

**To sum up.** The ever-increasing \$5.25 million exclusion and GST exemption are real game changers – along with portability – and will make transfer taxes far less of a concern for many people. But those who live in a decoupled state like New York, New Jersey or Connecticut, or who own property there, still have very real planning concerns, as do those whose wealth exceeds the exclusion amount.

### July 7520 rate issued

The IRS has issued the July 2013 applicable federal rates: the 7520 rate is 1.4%, an increase of 0.20% (20 basis points) from June's 1.2% 7520 rate. The annual, semiannual, quarterly and monthly mid-term rates are all 1.22%, an increase of 0.27% (27 basis points!) from June's annual, semiannual, quarterly and monthly mid-terms rates, which were all 0.95% (95 basis points).

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Blanche Lark Christerson is a managing director at Deutsche Asset & Wealth Management in New York City, and can be reached at [blanche.christerson@db.com](mailto:blanche.christerson@db.com).

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