



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS

- NEWS RELEASE -

FOR IMMEDIATE RELEASE

Current Regulations Concerning the Gift Tax

EDWARDSVILLE, IL, April 5, 2011 - Vicki Rolens, managing director of the Federation of American Consumers and Travelers (FACT), reminds members that the Gift Tax Limit is being continuously increased. Currently, you can give a gift up to \$13,000 to any number of people without any gift tax implications.

If you are married, the limit is \$26,000 (\$13,000 each) for one single gift. If the gift is over the limit then any tax due is payable by the giver of the gift, not the recipient.

A gift is defined in the IRS tax code as a transfer of money or property where nothing is expected in return from the gift.

No tax is owed if the gift is given to a spouse or a qualified charity. Other gifts which don't trigger the gift tax:

- Gifts to a political organization for its use.
- Gifts of educational expenses. These are unlimited as long as you make a direct payment to the educational institution for tuition only. Books, supplies and living expenses do not qualify.
- Gifts of medical expenses. These are also unlimited as long as they are paid directly to the medical facility.

You must file a gift tax return (Form 709), if any of the following apply:

- You gave gifts that are more than the annual exclusion for the year to at least one person (other than your spouse).
- You and your spouse are splitting a gift.
- You gave someone (other than your spouse) a gift of a future interest that he or she cannot actually possess, enjoy, or receive income from until some time in the future.
- You gave your spouse an interest in property that will terminate due to a future event.

For more information see IRS Publication 950.

Rolens stresses this disclaimer: "FACT is not an accounting firm and does not offer tax or financial advice to members or other consumers. Please check with your own financial professional to learn whether and how and of the gift tax regulations may apply to you."

This news release has been issued by the Federation of American Consumers and Travelers (FACT), a consumer organization formed under the not-for-profit corporation laws of the District of Columbia in 1984. FACT serves more than 1 million consumers nationwide. Additional information on FACT may be found in the Encyclopedia of Associations, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to FACTnewsreleasesconsumerhotlinemedicalinsurancedentaldiscountscreditfornonworkingspousesgifttax

help its members remain current on matters which might seriously impact their lives. The association does not offer support to -- and does not receive support from -- any political party or movement. In addition to publishing consumer-related reports, the association provides more than 40 benefits for its members, ranging from medical insurance and dental discounts to prescription drug savings and scholarships. FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025