

2027 Dollar Adjustments?

Quick-Take: We are getting close to the new dollar adjustments to some tax rules for 2027, if Treasury can figure out how to deal with the missing inflation numbers for October 2025 when there was a government 'shut-down.'

Background: Under IRC 1(f)(6)(B) Treasury is supposed to adjust for inflation each year several dollar amounts that are used in the Tax Code. The measuring period runs from September 1 to August 31. Due to the government 'shut-down' in October 2025 there are no reliable inflation numbers to include in the 12-month period that just concluded. Assuming that a hypothetical inflation number is used for October 2025 that represents the average inflation rate for the other 11 months in the most recent measurement period that just concluded, some estimated adjustment amounts can be predicted that would start on January 1, 2027. Those estimated adjustments follow.

Estate & Gift Tax Exemption Amount: \$15,470,000 per person (was \$15 million in 2026.)

GST Tax Exemption Amount: \$15,470,000 per person (was \$15 million in 2026.)

Gift Tax Annual Exclusion Amount per Donee: \$20,000 (was \$19,000 in 2026.)

Estate & Gift Tax Exemption for Non-Spouse: \$200,000 (was \$194,000 in 2026.)

IRC 6166 2% Interest Rate on Estate Tax Deferred for Business Interests: \$2.0 million (was \$1,940,000 in 2026.)

37% Income Tax Rate Bracket for Trusts and Estates: \$16,500 (was \$16,000 in 2026)

Alternative Minimum Tax Exemption for Trusts and Estates: \$32,400 (was \$31,400 in 2026.)

Alternative Minimum Tax Exemption Phaseout for Trusts and Estates:
\$108,050 (was \$104,800 in 2026.)

IRC 2032A Limit on Business and Farm Special Use Valuation: \$1,500,000
(was \$1,460,000 in 2026.)

Conclusion: It is likely that the *final* adjustments to these amounts will be published by Treasury in late October or early November, 2026.

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