



IRS Tax Tip 2015-51: Seven Tips to Help You Determine if Your Gift is Taxable

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IRS Tax Tips

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Seven Tips to Help You Determine if Your Gift is Taxable

If you gave money or property to someone as a gift, you may wonder about the federal gift tax. Many gifts are not subject to the gift tax. Here are seven tax tips about gifts and the gift tax.

- 1. Nontaxable Gifts.** The general rule is that any gift is a taxable gift. However, there are exceptions to this rule. The following are not taxable gifts:

 - Gifts that do not exceed the annual exclusion for the calendar year,
 - Tuition or medical expenses you paid directly to a medical or educational institution for someone,
 - Gifts to your spouse (for federal tax purposes, the term "spouse" includes individuals of the same sex who are lawfully married),
 - Gifts to a political organization for its use, and
 - Gifts to charities.
- 2. Annual Exclusion.** Most gifts are not subject to the gift tax. For example, there is usually no tax if you make a gift to your spouse or to a charity. If you give a gift to

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someone else, the gift tax usually does not apply until the value of the gift exceeds the annual exclusion for the year. For 2014 and 2015, the annual exclusion is \$14,000.

3. **No Tax on Recipient.** Generally, the person who receives your gift will not have to pay a federal gift tax. That person also does not pay income tax on the value of the gift received.

4. **Gifts Not Deductible.** Making a gift does not ordinarily affect your federal income tax. You cannot deduct the value of gifts you make (other than deductible charitable contributions).

5. **Forgiven and Certain Loans.** The gift tax may also apply when you forgive a debt or make a loan that is interest-free or below the market interest rate.

6. **Gift-Splitting.** You and your spouse can give a gift up to \$28,000 to a third party without making it a taxable gift. You can consider that one-half of the gift be given by you and one-half by your spouse.

7. **Filing Requirement.** You must file [Form 709](#), United States Gift (and Generation-Skipping Transfer) Tax Return, if any of the following apply:

- You gave gifts to at least one person (other than your spouse) that amount to more than the annual exclusion for the year.
- You and your spouse are splitting a gift. This is true even if half of the split gift is less than the annual exclusion.
- You gave someone (other than your spouse) a gift of a future interest that they can't actually possess, enjoy, or from which they'll receive income later.
- You gave your spouse an interest in property that will terminate due to a future event.

For more information, see [Publication 559](#), Survivors, Executors, and Administrators. You can view, download and print tax products on IRS.gov/forms anytime.

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