

Abstract: Most people have April 15 “tattooed on the brain” as the deadline for filing their federal income tax returns. What many forget is that the *gift* tax return deadline is on the very same date. This article explains the filing requirements and why some taxpayers should consider filing even if they don’t have to.

The 2019 gift tax return deadline is almost here, too

Most people have April 15 “tattooed on the brain” as the deadline for filing their federal income tax returns. What you may forget is that the *gift* tax return deadline is on the very same date. So, if you made large gifts to family members or heirs last year, it’s important to determine whether you’re required to file.

Filing requirements

Generally, you must file a gift tax return for 2019 if, during the tax year, you made gifts that exceeded the \$15,000-per-recipient gift tax annual exclusion (other than to your U.S. citizen spouse) or that you wish to split with your spouse to take advantage of your combined \$30,000 annual exclusion.

You also need to file if you made gifts to a Section 529 college savings plan and wish to accelerate up to five years’ worth of annual exclusions (\$75,000) into 2019. Other reasons to file include making gifts:

- That exceeded the \$155,000 annual exclusion for gifts to a noncitizen spouse, or
- Of future interests (such as remainder interests in a trust) regardless of the amount, or
- Of jointly held or community property.

Keep in mind that you’ll owe gift tax only to the extent an exclusion doesn’t apply and you’ve used up your lifetime gift and estate tax exemption (\$11.4 million for 2019). As you can see, some transfers require a return even if you don’t owe tax.

No return required

No gift tax return is required if your gifts for the year consist solely of gifts that are tax-free because they qualify as annual exclusion gifts, present interest gifts to a U.S. citizen spouse, educational or medical expenses paid directly to a school or health care provider, or political or charitable contributions.

But if you transferred hard-to-value property, such as artwork or interests in a family-owned business, consider filing a gift tax return even if you’re not required to. Adequate disclosure of the transfer in a return triggers the statute of limitations, generally preventing the IRS from challenging your valuation more than three years after you file.

Be ready

If you owe gift tax, the payment deadline is indeed April 15 — regardless of whether you file for an extension (in which case you have until October 15 to file). If you’re unsure whether you must (or should) file a 2019 gift tax return, contact us.

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