

# Sunset Logistics

## How to Get Ahead of the Potential Sunset

Wealth Planning | Estate and Tax Planning

Certain provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) are set to expire at the end of 2025 (this event is often referred to as the Sunset). If the Sunset occurs, we revert to the income and estate tax laws that were in effect prior to passage of TCJA, except as modified for inflation. While the 2024 elections may provide some insight into what may or may not happen legislatively between now and end of 2025, the election results still do not provide certainty. Accordingly, there are certain things you can do to take some control of an uncertain situation.



- **Income Taxes.** For many, income taxes will go up if we get to the Sunset as scheduled. Stifel can review your latest tax return with you and offer guidance on what you might do to prepare for 2026.
- **Estate Taxes.** The estate tax Sunset will affect only those of you with larger net worths. To learn more about who may be impacted, see our article on *The \$7 Million Question*.
- **Act Now.** For those potentially affected, Stifel can review your income or estate planning situation to provide ideas regarding how to plan for the Sunset. If you delay taking action, your tax or legal professional may not have sufficient time to enable you to develop and execute a strategy prior to the end of 2025.
- **Timing Matters.** Here are some steps that may need to occur before 2026 that further underscore the need to act promptly: Your tax professional may need to prepare financial projections to determine whether your taxes will go up in 2026 and which strategies may be helpful to you.

Your legal professional may need to draft estate planning documents. In some estate planning matters:

- An appraisal may be needed to determine the value of an asset, especially for real estate or a privately held business;
- If real estate or a privately held business is subject to a loan, the lender may need to consent to certain strategies; and
- Even if you are on the fence as to whether to proceed, it may make sense to have the necessary documents drafted as soon as possible, as that may be the most time-consuming step. You can then potentially wait until later in 2025 to assess the legislative landscape and determine if you want to transfer assets to the estate planning vehicles (most likely trusts) created by your attorney. The longer you wait, the more difficult it could be to create, execute, and fund any trusts by the end of 2025.

- **Read.** The following articles explore the Sunset in greater detail: *Potential Tax Law Changes on the Horizon*, *Changing Income Tax Rates and Brackets*, and *Using a Spousal Lifetime Access Trust for Estate Planning*.

For more information on how potential tax law changes in 2026 may impact you, contact your Stifel Financial Advisor, attorney, and tax professional.

*Stifel does not provide legal or tax advice.*

*You should consult with your legal and tax advisors regarding your particular situation.*

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