



I. INTRODUCTION TO FEDERAL TRANSFER TAXES

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The federal transfer tax system is comprised of three separate transfer taxes: (1) the federal estate tax; (2) the federal gift tax; and (3) the federal generation-skipping transfer (“GST”) tax. Each of these transfer taxes is imposed on the *privilege* of being able to *transfer* property rather than a tax on the transferred property itself. The federal estate tax covers transfers at death; the federal gift tax addresses lifetime transfers; and the federal GST tax catches transfers to grandchildren and others that would otherwise escape taxation through a loophole in the transfer tax system. The tax rules governing these transfers are highly technical and extremely complex.