



Biden vs. Trump: Estate & Inheritance Tax Policies



Under Biden:

- **End stepped-up basis at death:** Unrealized capital gains on inherited assets would be taxed as income at death for estates over thresholds—treated as a realization event [investopedia.com+15americanprogress.org+15wsj.com+15](#).
- **Restore/expand estate tax:** He aims to lower the current high exemption (around \$14 M single, \$28 M married in 2025) back to pre-2018 levels and possibly reduce it further—impacting estates above \$3.5 M–\$5 M [equitablegrowth.org+1alsopelderlaw.com+1savillecpa.com+1kiplinger.com+1equitablegrowth.org+1](#).
- **Increase tax rates on wealth,** including a 25% minimum on unrealized gains for estates over \$100 M and ordinary income tax on capital gains for high earners [americanprogress.org+1en.wikipedia.org+1](#).
- **Impose income tax at death,** potentially up to 61% effective, for very wealthy decedents [itep.org+15en.wikipedia.org+15kiplinger.com+15](#).

Bottom line: Biden would shrink exemptions, tax unrealized gains at death, and raise overall tax rates.



Under Trump:

- **Permanently extend current high exemption:** Trump wants to make the \$13.99 M (2025 single) or \$28 M (married) exemptions permanent—some GOP proposals even push for \$15 M / \$30 M [wsj.com+2kiplinger.com+2kiplinger.com+2](#).
- **Maintain 40% estate tax rate** (0–40% bracket), but exempt most estates due to the high exemption .
- **Keep stepped-up basis intact:** No proposed changes to basis rules—heirs won't owe capital gains tax on post-death unrealized gains [savillecpa.com+11kiplinger.com+11kiplinger.com+11](#).
- **Potentially push to eliminate the estate tax altogether** in a GOP-controlled Congress [en.wikipedia.org+4kiplinger.com+4wsj.com+4](#).

Bottom line: Trump's approach protects heirs—maintaining generous exemptions and stepped-up basis, with no death-time capital gains tax.



Comparative Overview

Feature	Biden	Trump
Estate tax exemption (2026+)	Lowering to \$5M–\$5.5M (inflation-adjusted)	Keep \$14M+, possibly raising to \$15M
Estate tax rate	Higher effective rate via unrealized	40% standard rate
Stepped-up basis	Eliminated for wealthy estates	Preserved
Tax on unrealized gains	Yes—deemed realized at death	No
Effective tax on	Up to 61% for very large estates	Low/nearly 0% for most estates



Timeline & Outlook

- **2025–26:** Current TCJA estate rules (high exemption, stepped-up basis) expire after 2025 [taxfoundation.org+7wsj.com+7kiplinger.com+7en.wikipedia.org+3en.wikipedia.org+3investopedia.com+3alsopelderlaw.comequitablegrowth.org+6kiplinger.com+6nypost.com+6en.wikipedia.org+1taxfoundation.org+1equitablegrowth.org](#).
- **Without action:** In 2026, exemptions fall to about \$5 M (indexed), stepped-up basis may end.
- **Trump victory:** Congress could lock in current rules or push exemption higher.
- **Biden victory:** Expect reduced exemption, basis changes, new income realization, and higher tax rates.



Key Takeaways

- **Heirs:** Under Trump, inheritances remain largely untaxed; under Biden, heirs could face significant taxes on inherited gains.
- **High-value estates:** Biden's policies would bite deeper—especially for estates over \$1 M (basis change threshold) and \$100 M (minimum tax kicks in).
- **Political hinge:** Everything depends on Congress and control of 2025/26 legislative agenda.

Let me know if you'd like to dive deeper into how this might affect your estate planning—especially state taxes or timing strategies—and I can pull in tailored info or quotes from advisors.