

## ESTATE PLANNING CLIENT ADVISORY Fall 2025

The Law Office of Robert H. Eardley, P.A. is pleased to provide this *Estate Planning Client Advisory*.

**Tax Updates & Recent Developments:** On July 4<sup>th</sup>, President Trump signed into law his One Big Beautiful Bill or “OB BB.” A number of its highlights are discussed below.

1. Exemptions to Increase to \$15 Million on January 1<sup>st</sup>. Many have expressed concern with the estate tax exemption’s pending reversion to a \$5 million base on January 1<sup>st</sup>. However, the OB BB increases the base estate, gift and GST exemptions to \$15 million apiece on January 1, 2026, and this amount is permanent. Practically speaking, a married couple may exclude \$30 million before triggering estate or gift tax. Also, the \$15 million amount will be adjusted for inflation beginning in 2027 and the tax rate will remain at 40%.



**PLANNING OPPORTUNITY:** *Individuals and married couples with a net worth of up to \$15 million and \$30 million, respectively, with complex estate tax reduction plans should consider simplifying in light of the higher exemption amount.*

2. SALT Deduction Increased. The 2017 Tax Act capped the state and local tax (“SALT”) deduction at \$10,000. A SALT deduction allows taxpayers to deduct state and local taxes (such as sales and property taxes) on the federal 1040. The main effect of a “modest” \$10,000 SALT deduction is to vastly limit the “federal subsidy” to taxpayers with northern real estate and income. The OB BB increases the SALT deduction to \$40,000 through 2029, after which it will revert to \$10,000. Importantly, phase-outs begin at \$250,000 and \$500,000 of modified AGI for separate and joint filers, respectively.

3. \$6,000 Senior Deduction. The OB BB provides a \$6,000 additional boost to the standard deduction for taxpayers age 65 and older. Importantly, the deduction begins to phase-out at \$75,000 of modified AGI for separate filers and \$150,000 for joint filers.

4. IRA Qualified Charitable Distribution Amount Increased to \$108,000. In 2022, the *SECURE 2.0 Act of 2022* provided for annual increases to the \$100,000 base for RMD amounts payable directly from an IRA to charity (a “Qualified Charitable Distribution” or “QCD”) without reporting this as income on the tax return. For IRA owners age 70½ or older, the 2025 QCD maximum is now \$108,000. A QCD reduces overall income taxes as compared to withdrawing IRA funds and then giving the funds to charity.

5. 529 Plan Options Expanded. Until recently, 529 Plan withdrawals were tax-free only for tuition costs. The OB BB greatly expands the scope of tax-free withdrawals to include many non-tuition expenses, such as books, digital learning tools, testing (e.g. SAT) and tutoring. Also, under the OB BB, 529 Plan funds may now be used for credentialed vocational schools such as aviation, HVAC, mechanics, plumbing and welding.

**Home Title “Lock” Services & Soaring Deed Thefts?:** Ads, commercials and news programs warn of the growing threat of deed thefts. Well-known conservative figures, such as Sean Hannity and Newt Gingrich, fuel the frenzy as paid endorsers for title “lock” services. But is there

really a spike in deed theft that requires such services? Last year, the FTC issued a *Consumer Alert* entitled “Home Title Lock Insurance? Not a Lock at All.” The *Alert* noted: “the ads say thieves can steal the title to your home. But then the ads tell you to buy title lock insurance to supposedly prevent home title theft. Stop. Take a breath. It’s just a ploy to scare you.”



The FTC is not alone. The *National Association of Consumer Advocates* believes title monitoring services are “misleading and fraudulent.” In fact, a 2022 *ABC News Investigation* researched two of Home Title Lock’s testimonials and found that both purported deed “thefts” were bogus and Home Title Lock promptly scrubbed them from its website. Moreover, according to *The ConsumerMan*, these companies “overstate how often title fraud occurs, how easy it is to pull off, and the actual harm to victims. And they vastly overpromise how much protection their products provide.”

If deed theft is still a concern, we recommend using the Collier County Clerk’s free email alert service. To utilize this service, visit [www.collierclerk.com](http://www.collierclerk.com) or contact the County Clerk’s office at (239) 252-2646 for assistance. The Lee County Clerk of Court offers a similar service at [www.leeclerk.org](http://www.leeclerk.org).

**State & Local Updates:** The following is a survey of noteworthy issues unfolding across the country.

1. Blue States’ Ongoing “Brain Drain”. A recent *Wall Street Journal* Editorial Board article entitled “The High-Tax State Brain Drain,” discusses IRS data showing that young households (ages 26 to 35) with \$200,000 plus in income are leaving high tax states, including California, Illinois, New York and Minnesota, in droves. The biggest gainers have been Florida and Texas. The article opined that “[d]amage to high-tax state economies will compound as more young, upwardly mobile people leave...[t]heir flight will result in billions of dollars in less tax revenue...” Separately, Governor Pritzker of Illinois sounded the alarm earlier this year, noting that 70% of Illinois youth who leave the state for college will never return to work in Illinois.

2. California’s Continuing Economic Decline. A recent *Wall Street Journal* op-ed piece entitled “California Keeps Declining, and Newsom Tries to Blame Trump” reminded its readers of California’s ongoing slide into financial peril. In particular, California lost over 50,000 jobs in the 1<sup>st</sup> quarter of 2025 and Valero Energy Corporation announced plans to shutter its Benicia refinery due to California’s strict environmental regulations and operational costs. This blow comes after Chevron’s announcement of its corporate relocation to Houston in 2024 after more than a century in California. The Valero closure will leave the state with only 7 in-state refineries capable of producing California’s environmentally mandated gasoline formula.

Further, in April of last year, California boosted its minimum wage from \$16 to \$20 per hour for employees of large chain fast food restaurants. The result, according to *The Wall Street Journal* Editorial Board, was a loss of 18,000 fast food jobs within the first 6 months.

3. Florida – Part 1 – No Property Taxes?. According to *The Wall Street Journal*, some Florida leaders – including Governor DeSantis and GOP state senator Jonathan Martin – are considering “ditching property taxes... [and]...the idea is gaining traction...” Although this issue may be gaining momentum, removing \$55 billion from annual revenue collections may not be feasible. The *Journal* reports that, if property taxes were eliminated, the sales tax would have to at least double to 12%. Interestingly, skepticism comes from both sides of the aisle. Republican state senator Don Gaetz commented that he had not “seen any proposal that eliminates property taxes, replaces them with a fairer or better tax and ensures that the local governments will still have the funds to operate efficiently.”

4. Florida – Part 2 – Miami the “New” New York City?. A recent *FoxBusiness* article discussed the perspective that Miami may have “bloomed as America’s new capital for capital.” In the article entitled “South Florida Cashes in on New Wealth as New York City Pays the Price,” business titan Jon Paul Perez, CEO of Related Group, reacted to data showing that \$14 billion in income has relocated from NYC to south Florida over the past 5 years. Perez stated the obvious: “it’s a pro-business environment, low taxes...[Miami] has finance, we have tech, we have hospitality, we have big cruise industries.”

5. Illinois Out-Migration and Potential County Secessions. According to a July 3<sup>rd</sup> piece by the *Chicago Tribune’s* Editorial Board, Illinois’s population of young people is decreasing and its population is aging faster than the rest of the country. The median age is 39.4 and rising steadily. The *Tribune* attributes the population decrease to outmigration by the young and low birth rates, noting that “[t]he long-term implications for our workforce, tax base and economic vitality are hard to ignore.”

To boot, last year 7 Illinois counties approved a non-binding ballot initiative to secede from Illinois (presumptively to Indiana). According to a *Wall Street Journal* article entitled “Secession from Illinois is in the Air,” the main drivers for secession include Indiana’s (a) lower income tax rates (3.05% compared to 4.95%), (b) quality of governance, and (c) ease of doing business.

6. Maryland Governor Wes Moore Signs Tax Hikes. On May 20<sup>th</sup>, Governor Moore signed Maryland’s \$67 billion 2026 budget into law. Senate Minority Leader Steve Hershey (R-Upper Shore) stated that “the Governor has now made permanent the tax-and-spend culture that’s already driving people and businesses out of Maryland.” The law (a) adds a new 3% sales tax on many IT services, (b) increases the highest income tax rate on taxpayers from 5.75% to 6.5%, and (c) imposes a 2% surcharge on certain capital gains. Cut from the final version of the law was a 75-cent tax on meal delivery services such as UberEats.

7. Mississippi Plan to Eliminate Income Tax. In March, Governor Tate Reeves signed a bill to potentially cancel the state’s income tax by 2038. The present tax rate is 4.4% and will incrementally drop each year that revenue targets are met. Part of the push to eliminate the income tax, according to the Editorial Board of *The Wall Street Journal*, is Mississippi’s desire to attract new residents and business in light of its precarious location between \$0 tax powerhouses Florida and Texas.

8. New York – Part 1 – Multi-Billion Claim Against Fuel Producers. In December, Governor Kathy Hochul signed legislation to require fossil fuel producers to pay \$75 billion – \$3 billion annually over 25 years – to purportedly assist the state to adapt to climate change. According to *The Wall Street Journal*, state regulators “will apportion responsibility for climate change among some three dozen companies that have sold fossil fuels in the state based upon their global CO2 emissions from 2000 to 2018.” The federal government is currently suing New York, arguing the law violates the *Clean Air Act* and the Constitution.

9. New York – Part 2 – Congestion Pricing. The US’s first ever congestion pricing began on January 5<sup>th</sup> in New York City. Vehicles entering the Manhattan Congestion Relief Zone south of 60<sup>th</sup> Street from 5 am to 9 pm weekdays will pay a toll of \$9 via E-Z Pass (\$13.50 without E-Z Pass). The goals of NYC’s congestion pricing are to (a) reduce vehicle traffic in order to decrease pollution, and (b) raise funds for the ailing MTA. During its 1<sup>st</sup> week, traffic decreased by 7.5% (70,000 vehicles) while MTA ridership increased and it collected \$48 million in tolls. A June article in *The Economist* referred to NYC’s plan as a “predictable success.” One question remains: how are commuting middle-class workers supposed to adjust to this new \$2,000 annual expense?

**Beware of AI Voice Scams – Use A Family Code Word!**: According to a recent *New York Post* article, Hillsborough County resident Sharon Brightwell received a call that sounded exactly like her daughter April. “April” was sobbing and told Sharon she had been texting and driving, and accidentally crashed into a pregnant woman’s car. April’s “attorney” took over the call and said he needed \$15,000 immediately to post April’s bond. Sadly, Sharon fell for the ploy and left the cash in a box in her front yard – which was promptly collected by an unknown driver. It appears the scammers used videos from April’s *FaceBook* and *Snapchat* posts to generate a “near-perfect replica of her voice.” Sharon’s advice: use code words to confirm each other’s identity over the phone!



**Florida Bar Recertifies Robert as An Estate Planning Expert**: In 1982, Florida’s Supreme Court implemented “board certification” to help consumers identify experts in various areas of law. According to the Florida Bar, “Board Certification recognizes attorneys’ special knowledge, skills and proficiency in various areas of law and professionalism and ethics in practice,” and certification must be renewed every 5 years. We are pleased to announce that Robert was recently recertified by the Bar in Wills, Trusts & Estates. Robert has been certified since 2004 and is one of only 275 Florida lawyers with this certification.

**2025 Naples Daily News Article**: The Sunday March 9<sup>th</sup> edition of the *Naples Daily News* featured an article Robert authored entitled “Probate Avoidance Options – The Good, The Bad and The Ugly.” The article explains important probate avoidance techniques and their respective pros and cons. For a complimentary print copy or PDF, please contact Julie Yamin at (239) 216-1819 or [julie@swflorida-law.com](mailto:julie@swflorida-law.com).

**Words of Eternity**: Now there was a man of the Pharisees named Nicodemus, a ruler of the Jews. This man came to Jesus by night and said to him, “Rabbi, we know that you are a teacher come from God, for no one can do these signs that you do unless God is with him.” Jesus answered him, “Truly, truly, I say to you, unless one is born again he cannot see the kingdom of God.” John 3:1-3.

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