

Joshua Rubenstein, Ronni Davidowitz Discuss Cross-Border Succession Planning with *Citywealth*

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Katten Partner and Global Chair of the firm's Private Wealth Practice, Joshua S. Rubenstein, and Partner and Head of Katten's New York Private Wealth Department Ronni G. Davidowitz were recently quoted in a *Citywealth* article examining how evolving tax rules in the UK and United States are reshaping succession planning for internationally mobile families.

Regarding the US tax environment, Joshua noted the growing divergence between federal and state estate tax exemptions. "In the United States, both the Federal government and states impose estate taxes and income taxes (some cities impose income taxes as well)," Joshua said. "Federal estate tax exemptions are generous ($15 million per taxpayer, and $30 million for a married couple). It used to be that state exemptions matched Federal exemptions, in the case of those states that impose estate taxes (not all do), increasingly the state exemptions are lower than the Federal exemptions."

Joshua also cautioned that while several aggressive state-level tax proposals are unlikely to become law, they underscore the importance of careful state selection for wealthy individuals relocating to the United States. "California is now proposing a one-time wealth tax, Oregon is proposing an annual wealth tax, and at least NYC mayor Mamdani wants New York State substantially to increase its estate tax," Joshua explained. "None of these proposals is likely to be enacted, as they would cause an exodus of wealth from any state implementing such tax increases. But it highlights the point that in the case of wealthy people moving to the United States, while it is fine to live wherever they choose, they should first at least consider closely not only state and local taxes, but also the property regimes, marital laws and estate and trust laws of the states under consideration."

Ronni further explored the proposed changes and their likelihood in New York. "With regard to Mayor Mamdani's expressed wish to reduce the New York State exemption and to raise the tax rate quite significantly, he is without authority to do so as this is a State legislative function. Governor Hochul has already indicated that she would not support his proposal. From a practical standpoint, such an

increase would serve to hasten the exodus of high-net-worth individuals from New York and that would have a deleterious impact on the State's economy."

"When taxes rise, wealth moves: a new era for UK and US succession planning," *Citywealth*, March 25, 2026

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