



## 2016 State Death Taxes and applicable gift rules

18 States and DC have a death tax.

| State                      | Type of Tax                | Exemption/Rate  | Taxes gifts made before death?                          | Gov.    | Lower House      | Upper House | Notes  |
|----------------------------|----------------------------|---|---|---------|------------------|-------------|--|
| Connecticut                | Estate Tax                 | \$2 Million/ 7.2-12%                                      | Separate Gift Tax                                       | D       | D                | D           | \$20 million cap on tax payment                |
| Delaware                   | Estate Tax                 | \$5.45 Million/ .8-16%                                    |   | D       | D                | D           |  |
| District of Columbia       | Estate Tax                 | \$1 Million/ .8-16%                                       |   | D-Mayor | D - City Council |             |  |
| Hawaii                     | Estate Tax                 | \$5.45 Million/ .8-16%                                    |   | D       | D                | D           | Recognizes Portability                         |
| Illinois                   | Estate Tax                 | \$4 million/ .8-16%                                       |   | R       | D                | D           |  |
| <a href="#">Iowa</a>       | Inheritance Tax            | \$0/ 5-15% (Estates smaller than \$25,000 exempt)         | Gifts made within the last three years                  | R       | R                | D           | Decedents exempt                               |
| Kentucky                   | Inheritance Tax            | \$1,000 (Class B), \$500 (Class C)/ 4-16%                 | Gifts made within three years in contemplation of death | R       | D                | R           | Decedents exempt (Class A)                     |
| Maine                      | Estate Tax                 | \$5.45 Million/ 8-12%                                     |   | R       | D                | R           |  |
| Maryland                   | Estate/<br>Inheritance Tax | Estate \$2 Million/ 16%,<br>Inheritance \$0/ 10%          | Gifts made within the last two years (Inheritance Tax)  | R       | D                | D           | Match Fed Exempt. in 2019, Portability in 2019 |
| Massachusetts              | Estate Tax                 | \$1 Million/ .8-16%                                       | Lifetime Gift Exclusion of \$840,000                    | R       | D                | D           |  |
| Minnesota                  | Estate Tax                 | \$1,600,000/ 9-16%  | Gifts made within the last three years                  | D       | R                | D           |  |
| Nebraska                   | Inheritance Tax            | \$40,000/ 1-18%   | Gifts made within the last three years                  | R       | R - Unicameral   |             |  |
| New Jersey                 | Estate/<br>Inheritance Tax | Estate \$675,000/ .8-16%,<br>Inheritance \$25,000/ 11-16% | Gifts made within three years in contemplation of death | R       | D                | D           |  |
| <a href="#">New York</a>   | Estate Tax                 | \$3,125,000(Increases April 1 to \$4,187,500)/ 3.06-16%   | Gifts made with three years of death                    | D       | D                | R           | Will match Fed Exempt. in 2019                 |
| Oregon                     | Estate Tax                 | \$1 Million/ 10-16%                                       |   | D       | D                | D           |  |
| Pennsylvania               | Inheritance Tax            | \$0/ 4.5-15%  | Gifts made within one year and greater than \$3,000     | D       | R                | R           | Family business and family farm exemptions     |
| Rhode Island               | Estate Tax                 | \$1.5 million/ .8-16%                                     |   | D       | D                | D           | No longer a "cliff" tax                        |
| Vermont                    | Estate Tax                 | \$2.75 million/ .8-16%                                    |   | D       | D                | D           |  |
| <a href="#">Washington</a> | Estate Tax                 | \$2.078 million/ 10-20%                                   |   | D       | D                | R           | Family Business exemption                      |

## 2016 State Inheritance Tax Chart

| State  | Classes  | Exemption | Rate    |
|--|--|-----------|---------|
| <a href="#">Iowa</a> – Any estate with a net value below \$25,000 is exempt from tax | Tax Rate A – All Parents, Grandparents, great-grandparents, children, stepchildren, grandchildren, great-grandchildren, and other lineal ascendants and lineal descendants   | Exempt    | 0%      |
|  | Tax Rate B – Brother, sister (including half-brother, half-sister), son-in-law, and daughter-in-law  | \$0       | 5-10%   |
|  | Tax Rate C – Uncle, aunt, niece, nephew, foster child, cousin, brother-in-law, sister-in-law, step-grandchild, and all other individual persons.   | \$0       | 10%-15% |
|  | Tax Rate D – All for profit firms, corporations, or societies  | \$0       | 15%     |
|  | Tax Rate E – Foreign charitable, educational, or religious organizations   | \$0       | 10%     |
|  | Tax Rate F – Unknown heirs   | \$0       | 5%      |
|  | Tax Rate G – Recognized Charitable Organizations, Public libraries, public art galleries, hospitals, humane societies, municipal corporations.   | Exempt    | 0%      |
| <a href="#">Kentucky</a>   | Class A – surviving spouse, parent, child, grandchild, brother, sister, half brother, and half-sister  | Exempt    | 0%      |
|  | Class B – niece, nephew, half-niece, half-nephew, daughter-in-law, son-in-law, aunt, uncle, great-grandchild   | \$1,000   | 4-16%   |
|  | Class C – All non-class A and B  | \$500     | 6-16%   |
| <a href="#">Maryland</a>   | Property passing to a child or other lineal descendant, spouse of a child or other lineal descendant, spouse, parent, grandparent, stepchild or stepparent, siblings or a corporation having only certain of these persons as stockholders   | Exempt    | 0%      |
|  | All other individuals  | \$0       | 10%     |
| Nebraska   | Parents, grandparents, siblings, children, grandchildren, and other lineal descendants, (including legally adopted persons), any person to whom the deceased, for not less than ten years before death, stood in the acknowledged relation of a parent, or the spouse or surviving spouse of any such person   | \$40,000  | 1%      |
|  | Aunts, uncles, nieces, or nephews related by blood or legal adoption, any lineal descendent of these persons, and the spouse of any of these persons.  | \$15,000  | 13%     |
|  | Any other person or organizations  | \$10,000  | 18%     |
| <a href="#">New Jersey</a> – Any transfer less than \$500 is exempt                  | Class A – Father, mother, grandparents, wife, husband, civil union partner, child or children of a decedent, adopted child or children of a decedent, issue of a child or legally adopted child of a decedent, mutually acknowledged child, stepchild (includes a grandchild and great-grandchild but not a step-grandchild or a great-step-grandchild), and domestic partner. | Exempt    | 0%      |
|  | Class C – Brother or sister of a decedent, wife or civil union partner or widow or surviving civil union partner of a son of a decedent, or husband or civil union partner or widower or surviving civil union partner of a daughter of a decedent.  | \$0       | 11-16%  |
|  | Class D – Every other transferee, distributee or beneficiary not otherwise classified  | \$0       | 15-16%  |
|  | Class E – Transfers to the State of New Jersey or any of its political subdivisions for public or charitable purposes, an educational institution, church, hospital, orphan asylum, public library, and certain other nonprofit agencies, etc  | Exempt    | 0%      |
| <a href="#">Pennsylvania</a>   | Surviving spouse or to a parent from a child aged 21 or younger, charitable organizations, exempt institutions and government entities   | Exempt    | 0%      |
|  | Direct descendants and lineal heirs  | \$0       | 4.5%    |
|  | Siblings   | \$0       | 12%     |
|  | All others   | \$0       | 15%     |