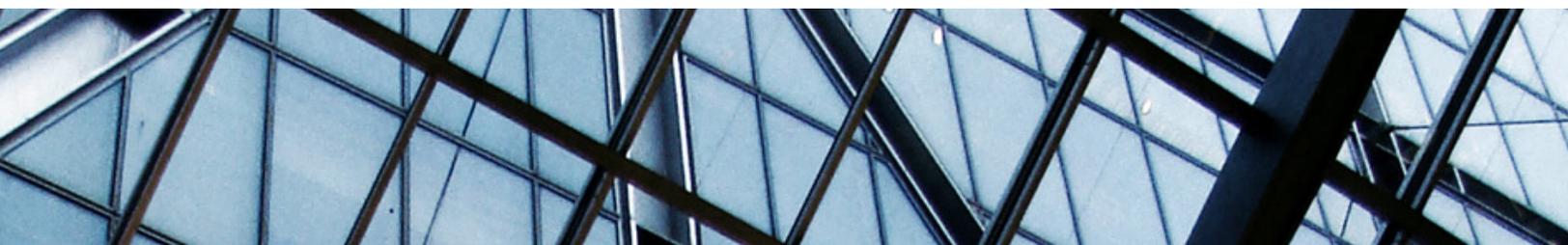


# 2015 State Estate Tax and Inheritance Tax Chart



In 2001, President George W. Bush signed the Economic Growth and Tax Reconciliation Act (EGTRRA) into law. Among the many changes EGTRRA made to estate tax laws, it began the phaseout of the federal estate tax credit for state estate taxes paid. Prior to the creation of EGTRRA, most states relied on a “sponge tax” that set the states’ estate tax equal to the amount of the federal estate tax credit for state estate taxes. This meant that states could receive estate tax revenue without increasing the tax burden on their residents’ estates. When EGTRRA repealed the federal credit in 2005, replacing it with a federal deduction, most states found they no longer received any estate tax revenue.

The response to this loss of revenue varied from state to state. Many states decoupled from the federal estate tax system, choosing instead to enact separate estate taxes. To date, 15 states and the District of Columbia levy an estate tax that is separate from the federal estate tax. In addition, several states levy an inheritance tax instead of or in conjunction with the federal estate tax. The remaining states have either done nothing by not decoupling or have taken steps to ensure that they do not have a state estate tax.

Below is a list of those states that levy some sort of tax on a decedent’s estate. States that are not listed do not apply a tax to the transfer of property at death. This list was up to date as of June 2015. However, state laws change frequently and the following information may not reflect those changes.

State	Type of Death Tax	2015 Exemption	2015 Top Tax Rate	Notes
<b>Connecticut</b>	Estate Tax	\$2,000,000	12%	Also collects a state gift tax (unified with estate tax)
<b>Delaware</b>	Estate Tax	\$5,430,000	16%	Exemption adjusted for inflation annually, based on federal exemption

*Continues >>>*

State	Type of Death Tax	2015 Exemption	2015 Top Tax Rate	Notes
<b>District of Columbia</b>	Estate Tax	\$1,000,000	16%	
<b>Hawaii</b>	Estate Tax	\$5,430,000	15.7%	Exemption adjusted for inflation annually, based on federal exemption
<b>Illinois</b>	Estate Tax	\$4,000,000	16%	
<b>Iowa</b>	Inheritance Tax	\$25,000	15%	
<b>Kentucky</b>	Inheritance Tax	Up to \$1,000	16%	
<b>Maine</b>	Estate Tax	\$2,000,000	12%	
<b>Maryland</b>	Estate Tax Inheritance Tax	\$1,500,000 \$50,000	16% 10%	<b>Exemption Scheduled Increases:</b> 2016 – \$2,000,000 2017 – \$3,000,000 2018 – \$4,000,000 2019 – Federal Exemption
<b>Massachusetts</b>	Estate Tax	\$1,000,000	16%	
<b>Minnesota</b>	Estate Tax	\$1,400,000	16%	<b>Exemption Scheduled Increases:</b> 2016 – \$1,600,000 2017 – \$1,800,000 2018 – \$2,000,000
<b>Nebraska</b>	Inheritance Tax	Up to \$40,000	18%	
<b>New Jersey</b>	Estate Tax Inheritance Tax	\$675,000 Up to \$25,000	16% 16%	
<b>New York</b>	Estate Tax	\$3,125,000	16%	<b>Exemption Scheduled Increases:</b> 4/1/2016 – \$4,187,500 4/1/2017 – \$5,250,000 1/1/2019 – Federal Exemption
<b>Oregon</b>	Estate Tax	\$1,000,000	16%	
<b>Pennsylvania</b>	Inheritance Tax	Up to \$3,500	0% – Spouse 4.5% – Children 12% – Siblings 15% – All Others	
<b>Rhode Island</b>	Estate Tax	\$1,500,000	16%	Exemption adjusted for inflation annually

State	Type of Death Tax	2015 Exemption	2015 Top Tax Rate	Notes
<b>Tennessee</b>	Estate Tax	\$5,000,000	9.5%	Referred to as an "inheritance tax" in state statutes, but it's really an estate tax; scheduled to disappear in 2016
<b>Vermont</b>	Estate Tax	\$2,750,000	16%	
<b>Washington</b>	Estate Tax	\$2,054,000	20%	Exemption adjusted for inflation annually

## Sources:

John Hancock Insurance. "State Estate Taxes." *Because You Asked*. 2015.

Joel Michael. "Survey of State Estate, Inheritance, and Gift Taxes." Minnesota House of Representatives. September, 2014.

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