

Policy and Taxation Group

State Death Tax Chart

January 26, 2019

This chart is maintained for the Policy and Taxation Group Website and is updated regularly. Any comments on the chart or new developments that should be reflected on the chart may be sent to cfox@mcguirewoods.com.

State Type of Tax	Current Law	2019 State Death Tax Threshold
Alabama None	Tax is tied to federal state death tax credit. AL ST § 40-15-2.	
Alaska None	Tax is tied to federal state death tax credit. AK ST § 43.31.011.	
Arizona None	Tax was tied to federal state death tax credit. AZ ST §§ 42-4051; 42-4001(2), (12). On May 8, 2006, Governor Napolitano signed SB 1170 which permanently repealed Arizona's state estate tax.	
Arkansas None	Tax is tied to federal state death tax credit. AR ST § 26-59-103; 26-59-106; 26-59-109, as amended March, 2003.	
California None	Tax is tied to federal state death tax credit. CA REV & TAX §§ 13302; 13411.	
Colorado None	Tax is tied to federal state death tax credit. CO ST §§ 39-23.5-103; 39-23.5-102.	
Connecticut	On October 31, 2017, the Connecticut Governor signed the 2018-2019 budget	\$3,600,000

<p>Separate Estate Tax</p>	<p>which increased the exemption for the Connecticut state estate and gift tax to \$2,600,000 in 2018, to \$3,600,000 in 2019, and to the federal estate and gift tax exemption in 2020.</p> <p>On May 31, 2018, Connecticut changed its estate tax law to extend the phase-in of the exemption to 2023 to reflect the increase in the federal exemption to \$10 million indexed for inflation in the 2017 Tax Act. The exemption will be phased in as follows:</p> <p>2019: \$3.6 million</p> <p>2020: \$5.1 million</p> <p>2021: \$7.1 million</p> <p>2022: \$9.1 million:</p> <p>2023: federal exemption for deaths on or after January 1, 2023.</p> <p>Beginning in 2019, the cap on the Connecticut state estate and gift tax is reduced from \$20 million to \$15 million (which represents the tax due on a Connecticut estate of approximately \$129 million).</p>	
<p>Delaware None</p>	<p>On July 2, 2017, the Governor signed HB 16 which sunsets the Delaware Estate Tax on December 31, 2017.</p>	

<p>District of Columbia</p> <p>Pick-up Only</p>	<p>No separate QTIP election.</p> <p>DC Bill B22-0685 was introduced in the DC City Council on February 8, 2018. This proposal cut the DC threshold to \$5.6 million adjusted for inflation retroactive to January 1, 2018. This change was enacted by the DC City Council on September 5, 2018 as part of the Budget Support Act.</p>	<p>\$5,681,760</p>
<p>Florida</p> <p>None</p>	<p>Tax is tied to federal state death tax credit.</p> <p>FL ST § 198.02; FL CONST. Art. VII, Sec. 5</p>	
<p>Georgia</p> <p>None</p>	<p>Effective July 1, 2014, the Georgia estate tax was repealed. See § 48-12-1.</p>	
<p>Hawaii</p> <p>Modified Pick-up Tax</p>	<p>On May 2, 2012, the Hawaii legislature passed HB 2328 which conforms the Hawaii estate tax exemption to the federal estate tax exemption for decedents dying after January 25, 2012.</p> <p>On June 7, 2018, the governor signed SB 2821, which amended HI ST § 236E-6 to reduce the Hawaiian exemption, effective January 1, 2018, to \$5,000,000 indexed for inflation.</p> <p>The Hawaii Department of Taxation released Announcement 2018-13 on September 4, 2018 in which it announced that the exemption will remain at the amount available to decedents dying during 2017.</p> <p>In response to calls from practitioners, the Hawaii Department of Taxation</p>	<p>\$5,490,000</p>

	indicated that was not going to adjust the exemption for inflation in 2019.	
Idaho None	Tax is tied to federal state death tax credit. ID ST §§ 14-403; 14-402; 63-3004 (as amended Mar. 2002).	
Illinois Modified Pick-up Only	On January 13, 2011, Governor Quinn signed Public Act 096-1496 which increased Illinois' individual and corporate income tax rates. Included in the Act was the reinstatement of Illinois' estate tax as of January 1, 2011 with a \$2 million exemption. Senate Bill 397 passed both the Illinois House and Senate as part of the tax package for Sears and CME on December 13, 2011. It increased the exemption to \$3.5 million for 2012 and \$4 million for 2013 and beyond. Governor Quinn signed the legislation on December 16, 2011. Illinois permits a separate state QTIP election, effective September 8, 2009. 35 ILCS 405/2(b-1).	\$4,000,000
Indiana None	Pick-up tax is tied to federal state death tax credit. IN ST §§ 6-4.1-11-2; 6-4.1-1-4. On May 11, 2013, Governor Pence signed HB 1001 which repealed Indiana's inheritance tax retroactively to January 1, 2013. This replaced Indiana's prior law enacted in 2012 which phased out Indiana's inheritance tax over nine years beginning in 2013 and ending on December 31, 2021 and increased the inheritance tax exemption amounts retroactive to January 1, 2012	.
Iowa	Pick-up tax is tied to federal state death tax credit. IA ST § 451.2; 451.13.	

Inheritance Tax	<p>Effective July 1, 2010, Iowa specifically reenacted its pick-up estate tax for decedents dying after December 31, 2010. Iowa Senate File 2380, reenacting IA ST § 451.2.</p> <p>Iowa has a separate inheritance tax on transfers to others than lineal ascendants and descendants.</p>	
Kansas None	For decedents dying on or after January 1, 2007 and through December 31, 2009, Kansas had enacted a separate stand alone estate tax. KS ST § 79-15, 203	
Kentucky Inheritance Tax	<p>Pick-up tax is tied to federal state death tax credit. KY ST § 140.130.</p> <p>Kentucky has not decoupled but has a separate inheritance tax and recognizes by administrative pronouncement a separate state QTIP election.</p>	
Louisiana None	Pick-up tax is tied to federal state death tax credit. LA R.S. §§ 47:2431; 47:2432; 47:2434.	
Maine Pick-up Only	<p>For decedents dying after December 31, 2002, pick-up tax was frozen at pre-EGTRRA federal state death tax credit, and imposed on estates exceeding applicable exclusion amount in effect on December 31, 2000 (including scheduled increases under pre-EGTRRA law) (L.D. 1319; March 27, 2003).</p> <p>On June 20, 2011, Maine's governor signed Public Law Chapter 380 into law, which increased the Maine estate tax exemption to \$2 million in 2013 and beyond. The rates were also changed, effective January 1, 2013, to 0% for Maine estates up to \$2 million, 8% for Maine estates between \$2</p>	\$5,700,000

million and \$5 million, 10 % between \$ 5 million and \$8 million and 12% for the excess over \$8 million.

On June 30, 2015, the Maine legislature overrode the Governor's veto of LD 1019, the budget bill for fiscal years 2016 and 2017. As part of the law, the Maine Exemption was tagged to the federal exemption for decedents dying on or after January 1, 2016.

The tax rates are:

8% on the first \$3 million above the Maine Exemption;

10% on the next \$3 million above the Maine Exemption; and

12% on all amounts above \$6 million above the Maine Exemption.

The new legislation did not include portability as part of the Maine Estate Tax.

On September 12, 2018, LP1655 became law without the Governor's signature. The new law amends M.R.S. Title 36, Section 4102 and Section 4119 to make the Maine exemption \$5,600,000 adjusted for inflation for decedents dying on and after January 1, 2018.

For estates of decedents dying after December 31, 2002, Sec. 2058 deduction is ignored in computing Maine tax and a separate state QTIP election is permitted. M.R.S. Title 36, Sec. 4062.

	<p>Maine also subjects real or tangible property located in Maine that is transferred to a trust, limited liability company or other pass-through entity to tax in a non-resident's estate. M.R.S. Title 36, Sec. 4064.</p>	
<p>Maryland Pick-up Tax Inheritance Tax</p>	<p>On May 15, 2014, Governor O'Malley signed HB 739 which repealed and reenacted MD TAX GENERAL §§ 7-305, 7-309(a), and 7-309(b) to do the following:</p> <ol style="list-style-type: none"> 1. Increased the threshold for the Maryland estate tax to \$1.5 million in 2015, \$2 million in 2016, \$3 million in 2017, and \$4 million in 2018. For 2019 and beyond, the Maryland threshold will equal the federal applicable exclusion amount. 2. Continued to limit the amount of the federal credit used to calculate the Maryland estate tax to 16% of the amount by which the decedent's taxable estate exceeds the Maryland threshold unless the Section 2011 federal state death tax credit is then in effect. 3. Continued to ignore the federal deduction for state death taxes under Sec. 2058 in computing Maryland estate tax, thus eliminating a circular computation. 4. Permitted a state QTIP election. <p>On April 5, 2018, HB 0308 became law. The new law provides that for 2019 and thereafter, the Maryland</p>	<p>\$5,000,000</p>

	<p>threshold will be capped at the fixed amount of \$5 million rather than being equal to the inflation-adjusted federal exemption as provided under prior law.</p> <p>The new law also provides for the portability of the unused predeceased spouse's Maryland exemption amount to the surviving spouse beginning in 2019.</p>	
<p>Massachusetts</p> <p>Pick-up Only</p>	<p>For decedents dying in 2002, pick-up tax is tied to federal state death tax credit. MA ST 65C §§ 2A.</p> <p>For decedents dying on or after January 1, 2003, pick-up tax is frozen at federal state death tax credit in effect on December 31, 2000. MA ST 65C §§ 2A(a), as amended July 2002.</p> <p>Tax imposed on estates exceeding applicable exclusion amount in effect on December 31, 2000 (including scheduled increases under pre-EGTRRA law), even if that amount is below EGTRRA applicable exclusion amount.</p> <p>See, Taxpayer Advisory Bulletin (Dec. 2002), DOR Directive 03-02, Mass. Guide to Estate Taxes (2003) and TIR 02-18 published by Mass. Dept. of Rev.</p> <p>Massachusetts Department of Revenue has issued directive, pursuant to which separate Massachusetts QTIP election can be made when applying state's new estate tax based upon pre-EGTRRA federal state death tax credit.</p>	\$1,000,000
<p>Michigan</p> <p>None</p>	<p>Tax is tied to federal state death tax credit.</p> <p>MI ST §§ 205.232; 205.256</p>	

<p>Minnesota</p> <p>Pick-up Only</p>	<p>Tax frozen at federal state death tax credit in effect on December 31, 2000, clarifying statute passed May 2002.</p> <p>Tax imposed on estates exceeding federal applicable exclusion amount in effect on December 31, 2000 (including scheduled increases under pre-EGTRRA law), even if that amount is below EGTRRA applicable exclusion amount.</p> <p>MN ST §§ 291.005; 291.03; instructions for MN Estate Tax Return; MN Revenue Notice 02-16.</p> <p>Separate state QTIP election permitted.</p> <p>On May 30, 2017, the governor signed the budget bill, H.F. No. 1 which increased the Minnesota estate tax exemption for 2017 from \$1,800,000 to \$2,100,000 retroactively, and increases the exemption to \$2,400,000 in 2018, \$2,700,000 in 2019, and \$3,000,000 for 2020 and thereafter.</p> <p>A provision enacted in 2013 to impose an estate tax on non-residents who own an interest in a pass-through entity which in turn owned real or personal property in Minnesota was amended in 2014 to exclude certain publicly traded entities. It still applies to entities taxed as partnerships or S Corporations that own closely held businesses, farms, and cabins.</p>	<p>\$2,700,000</p>
<p>Mississippi</p> <p>None</p>	<p>Tax is tied to federal state death tax credit.</p> <p>MS ST § 27-9-5.</p>	
<p>Missouri</p>	<p>Tax is tied to federal state death tax credit.</p>	

None	MO ST §§ 145.011; 145.091.	
Montana None	Tax is tied to federal state death tax credit. MT ST § 72-16-904; 72-16-905.	
Nebraska County Inheritance Tax	Nebraska through 2006 imposed a pick-up tax at the state level. Counties impose and collect a separate inheritance tax. NEB REV ST § 77-2101.01(1).	
Nevada None	Tax is tied to federal state death tax credit. NV ST Title 32 §§ 375A.025; 375A.100.	
New Hampshire None	Tax is tied to federal state death tax credit. NH ST §§ 87:1; 87:7.	
New Jersey Inheritance Tax	On October 14, Governor Christie signed Assembly Bill A-12 which was the tax bill accompanying Assembly Bill A-10 which revised the funding for the state's Transportation Fund. Under this law, the Pick-Up Tax had a \$2 million exemption in 2017 and was eliminated as of January 1, 2018. The new law also eliminated the tax on New Jersey real and tangible property of a non-resident decedent. The repeal of the pick-up tax did not apply to the separate New Jersey inheritance tax.	
New Mexico None	Tax is tied to federal state death tax credit. NM ST §§ 7-7-2; 7-7-3.	

<p>New York</p> <p>Pick-up Only</p>	<p>The Executive Budget of 2014-2015 which was signed by Governor Cuomo on March 31, 2014 made substantial changes to New York's estate tax.</p> <p>The New York estate tax exemption which was \$1,000,000 through March 31, 2014 was increased as follows:</p> <p>April 1, 2014 to March 31, 2015 -- \$2,062,500</p> <p>April 1, 2015 to March 31, 2016 -- \$3,125,000</p> <p>April 1, 2016 to March 31, 2017 -- \$4,187,500</p> <p>April 1, 2017 to December 31, 2018 -- \$5,250,000</p> <p>As of January 1, 2019, the New York estate tax exemption amount will be the same as the federal estate tax applicable exclusion amount prior to the 2017 Tax Act which is \$5,000,000 adjusted for inflation.</p> <p>The maximum rate of tax will continue to be 16%.</p> <p>Taxable gifts within three years of death between April 1, 2014 and December 31, 2018 will be added back to a decedent's estate for purposes of calculating the New York tax.</p> <p>The New York estate tax is a cliff tax. If the value of the estate is more than 105% of the then current exemption, the exemption will not be available.</p> <p>On April 1, 2015, as part of 2015-2016 Executive Budget, New York enacted changes to the New York Estate Tax.</p>	<p>\$5,740,000</p>
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	<p>New York first clarified that the new rate schedule enacted in 2014 applies to all decedents dying after April 1, 2014. Previously, the rate schedule only applied through March 31, 2015. New York then modified the three year gift add-back provision to make it clear that the gift add-back does not apply to any individuals dying on or after January 1, 2019. Previously, the gift add-back provision did not apply to gifts made on or after January 1, 2019.</p> <p>New York continues not to permit portability for New York estates and no separate state QTIP election is allowed when portability is elected on a federal return.</p>	
<p>North Carolina None</p>	<p>On July 23, 2013, the Governor signed HB 998 which repealed the North Carolina estate tax retroactively to January 1, 2013.</p>	
<p>North Dakota None</p>	<p>Tax is tied to federal state death tax credit. ND ST § 57-37.1-04</p>	
<p>Ohio None</p>	<p>Governor Taft signed the budget bill, 2005 HB 66, repealing the Ohio estate (sponge) tax prospectively and granting credit for it retroactively. This was effective June 30, 2005 and killed the sponge tax.</p> <p>On June 30, 2011, Governor Kasich signed HB 153, the biannual budget bill, which contained a repeal of the Ohio state estate tax effective January 1, 2013.</p>	
<p>Oklahoma None</p>	<p>Tax is tied to federal state death tax credit. OK ST Title 68 § 804</p>	

	The separate estate tax was phased out as of January 1, 2010.	
Oregon Separate Estate Tax	<p>On June 28, 2011, Oregon's governor signed HB 2541 which replaced Oregon's pick-up tax with a stand-alone estate tax effective January 1, 2012.</p> <p>The new tax has a \$1 million threshold with rates increasing from ten percent to sixteen percent between \$1 million and \$9.5 million.</p> <p>Determination of the estate for Oregon estate tax purposes is based upon the federal taxable estate with adjustments.</p>	\$1,000,000
Pennsylvania Inheritance Tax	<p>Tax is tied to the federal state death tax credit to the extent that the available federal state death tax credit exceeds the state inheritance tax.</p> <p>PA ST T. 72 P.S. § 9117 amended December 23, 2003.</p> <p>Pennsylvania had decoupled its pick-up tax in 2002, but has now recoupled retroactively. The recoupling does not affect the Pennsylvania inheritance tax which is independent of the federal state death tax credit.</p> <p>Pennsylvania recognizes a state QTIP election.</p>	
Rhode Island Pick-up Only	<p>Tax frozen at federal state death tax credit in effect on January 1, 2001, with certain adjustments (see below). RI ST § 44-22-1.1.</p> <p>Rhode Island recognized a separate state QTIP election in the State's Tax Division Ruling Request No. 2003-03.</p> <p>Rhode Island's Governor signed into law HB 5983 on June 30, 2009, effective for deaths occurring on or after January 1, 2010, an increase in</p>	\$1,561,719

	<p>the amount exempt from Rhode Island estate tax from \$675,000, to \$850,000, with annual adjustments beginning for deaths occurring on or after January 1, 2011 based on "the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U). . . rounded up to the nearest five dollar (\$5.00) increment." RI ST § 44-22-1.1.</p> <p>On June 19, 2014, the Rhode Island Governor approved changes to the Rhode Island Estate Tax by increasing the exemption to \$1,500,000 indexed for inflation in 2015 and eliminating the cliff tax.</p>	
<p>South Carolina</p> <p>None</p>	<p>Tax is tied to federal state death tax credit.</p> <p>SC ST §§ 12-16-510; 12-16-20 and 12-6-40, amended in 2002.</p>	
<p>South Dakota</p> <p>None</p>	<p>Tax is tied to federal state death tax credit.</p> <p>SD ST §§ 10-40A-3; 10-40A-1 (as amended Feb. 2002).</p>	
<p>Tennessee</p> <p>None</p>	<p>Pick-up tax is tied to federal state death tax credit.</p> <p>TN ST §§ 67-8-202; 67-8-203.</p> <p>Tennessee had a separate inheritance tax which was phased out as of January 1, 2016.</p>	
<p>Texas</p> <p>None</p>	<p>Tax was permanently repealed effective as of September 15, 2015 when Chapter 211 of the Texas Tax Code was repealed. Prior to September 15, 2015, the tax was tied to the federal state death tax credit.</p>	

Utah None	Tax is tied to federal state death tax credit. UT ST § 59-11-102; 59-11-103.	
Vermont Modified Pick-up	In 2010, Vermont increased the estate tax exemption threshold from \$2,000,000 to \$2,750,000 for decedents dying January 1, 2011. As of January 1, 2012 the exclusion is scheduled to equal the federal estate tax applicable exclusion, so long as the FET exclusion is not less than \$2,000,000 and not more than \$3,500,000. VT ST T. 32 § 7442a. Previously the estate tax was frozen at federal state death tax credit in effect on January 1, 2001. VT ST T. 32 §§ 7402(8), 7442a, 7475, amended on June 21, 2002. No separate state QTIP election permitted.	\$2,750,000
Virginia None	Tax is tied to federal state death tax credit. VA ST §§ 58.1-901; 58.1-902. The Virginia tax was repealed effective July 1, 2007. Previously, the tax was frozen at federal state death tax credit in effect on January 1, 1978. Tax was imposed only on estates exceeding EGTRRA federal applicable exclusion amount. VA ST §§ 58.1-901; 58.1-902.	
Washington Separate Estate Tax	LEGISLATIVE FRAMEWORK. On February 3, 2005, the Washington State Supreme Court unanimously held that Washington's state death tax was unconstitutional. The tax was tied to the current federal state death tax credit, thus reducing the tax for the years 2002 - 2004 and eliminating it for the years 2005 - 2010. <u>Hemphill v.</u>	\$2,193,000

State Department of Revenue 2005 WL 240940 (Wash. 2005).

In response to Hemphill, the Washington State Senate on April 19 and the Washington House on April 22, 2005, by narrow majorities, passed a stand-alone state estate tax with rates ranging from 10% to 19%, a \$1.5 million exemption in 2005 and \$2 million thereafter, and a deduction for farms for which a Sec. 2032A election could have been taken (regardless of whether the election is made). The Governor signed the legislation. WA ST §§ 83.100.040; 83.100.020.

Washington voters defeated a referendum to repeal the Washington estate tax in the November 2006 elections.

On June 14, 2013, Governor Inslee signed HB 2075 which closed an exemption for marital trusts retroactively immediately prior to when the Department of Revenue was about to start issuing refund checks, created a deduction for up to \$2.5 million for certain family owned businesses and indexes the \$2 million Washington state death tax threshold for inflation.

SEPARATE QTIP ELECTION.

Washington permits a separate state QTIP election. WA ST §83.100.047.

NO INDEXING FOR INFLATION IN 2019. Washington State was supposed to index the exemption annually for inflation. However, this was not done for 2019.

	<p>On December 18, 2018, the Department of Revenue sent an email stating that pursuant to Revised Code of Washington (RCW) 83.100, the Department must adjust the Washington applicable estate tax exclusion amount annually using the Seattle-Tacoma-Bremerton metropolitan area October consumer price index (Seattle CPI). As of January 1, 2018, the US Bureau of Labor and Statistics (USBLS) no longer calculates the consumer price index for the Seattle-Tacoma-Bremerton metropolitan area. Instead, the USBLS will calculate the Seattle-Tacoma-Bellevue Core Based Statistical Area for the Puget Sound region.</p> <p>As a result of these changes, the definition of “consumer price index” in RCW 83.100.020(1)(b) does not match with the current CPI measure calculated by the USBLS. The Department is using the last CPI figure for the Seattle CPI. This resulted in no increase in the applicable exclusion amount for 2019.</p>	
West Virginia None	<p>Tax is tied to federal state death tax credit. WV § 11-11-3.</p>	
Wisconsin None	<p>Tax is tied to federal state death tax credit. WI ST § 72.01(11m).</p> <p>For deaths occurring after September 30, 2002, and before January 1, 2008, tax was frozen at federal state death tax</p>	

	<p>credit in effect on December 31, 2000 and was imposed on estates exceeding federal applicable exclusion amount in effect on December 31, 2000 (\$675,000), not including scheduled increases under pre-EGTRRA law, even though that amount is below the lowest EGTRRA applicable exclusion amount. Thereafter, tax imposed only on estates exceeding EGTRRA federal applicable exclusion amount. WI ST §§ 72.01; 72.02, amended in 2001; WI Dept. of Revenue website.</p> <p>On April 15, 2004, the Wisconsin governor signed 2003 Wis. Act 258, which provided that Wisconsin will not impose an estate tax with respect to the intangible personal property of a non-resident decedent that has a taxable situs in Wisconsin even if the non-resident's state of domicile does not impose a death tax. Previously, Wisconsin would impose an estate tax with respect to the intangible personal property of a non-resident decedent that had a taxable situs in Wisconsin if the state of domicile of the non-resident had no state death tax.</p>	
<p>Wyoming</p> <p>None</p>	<p>Tax is tied to federal state death tax credit. WY ST §§ 39-19-103; 39-19-104.</p>	