

# 2018 State Estate Tax and Inheritance Tax Chart

In 2001, President George W. Bush signed the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) into law. Among the many changes EGTRRA made to estate tax laws, it began phasing out 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 When EGTRRA repealed the federal credit in 2005, replacing it with a federal deduction, most states found they no longer received any estate tax revenue.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. Currently, 12 states and the District of Columbia levy an estate tax that is separate from the federal estate tax. In addition, six states levy an inheritance tax instead of or in conjunction with the federal estate tax, Maryland being the only state that imposes both. 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.

The Tax Cuts and Jobs Act of 2017 raised the federal estate tax exclusion from \$5.49 million to \$11.18 million per person in 2018, but this provision expires December 31, 2025. Where the state matches its exemption to the federal exemption, note whether the state’s definition is equal to federal estate tax applicable exclusion amount prior to the 2017 Tax Act which is \$5,000,000 adjusted for inflation.

Below is a list of 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 2018. However, state laws change frequently, and the following information may not reflect those changes.

State	Type of Tax	2018 Exemption	2018 Top Tax Rate	Notes
Connecticut	Estate Tax	\$2,600,000	12%	Exemption Scheduled Increases: 2019 – \$3,600,000 2020 – Federal Exemption Estate tax currently capped at \$20 million. Beginning in 2019 cap reduces to \$15 million. Also collects a state gift tax (unified with estate tax).
District of Columbia	Estate Tax	\$11,180,000	16%	Exemption increased to match federal exemption in 2018. (DC Bill B22-0685 would reduce to \$5.6 million if enacted and would be adjusted for inflation, retroactive to 1/01/2018.)
Hawaii	Estate Tax	\$11,180,000	15.7%	Exemption adjusted for inflation annually, based on federal exemption. DSUE may be used where “portability election” was filed for deceased spouse’s estate.
Illinois	Estate Tax	\$4,000,000	16%	
Iowa	Inheritance Tax	\$25,000	15%	



State	Type of Tax	2018 Exemption	2018 Top Tax Rate	Notes
Kentucky	Inheritance Tax	\$500 - \$1,000	16%	
Maine	Estate Tax	\$5,600,000	12%	The Maine exclusion amount is the basic exclusion amount determined for the calendar year in accordance with Section 2010(c)(3) of the "Code" 36 M.R.S. § 4102(5). However, Maine's tax law defines "Code" as the United States Internal Revenue Code of 1986 and any amendments to that Code as of December 31, 2016.
Maryland	Estate Tax Inheritance Tax	\$4,000,000 \$1,000	16% 10%	Exemption Scheduled Increase: 2019 – \$5,000,000 Beginning 2019, portability of the unused predeceased spouse's Maryland exemption amount to the surviving spouse is allowed.
Massachusetts	Estate Tax	\$1,000,000	16%	
Minnesota	Estate Tax	\$2,400,000	16%	Exemption Scheduled Increase: 2019 – \$2,700,000 2020 – \$3,000,000
Nebraska	Inheritance Tax	\$40,000 \$15,000 \$10,000	1% – Close Relatives 13% – Remote Relatives 18% – Others	
New Jersey	Inheritance Tax	\$25,000	16%	
New York	Estate Tax	\$5,250,000	16%	Exemption Scheduled Increase: 1/1/2019 – Equal to federal estate tax applicable exclusion amount prior to the 2017 Tax Act which is \$5,000,000 adjusted for inflation.
Oregon	Estate Tax	\$1,000,000	16%	
Pennsylvania	Inheritance Tax	None	0% – Spouse 4.5% – Children 12% – Siblings 15% – All Others	
Rhode Island	Estate Tax	\$1,537,656	16%	Exemption adjusted for inflation annually
Vermont	Estate Tax	\$2,750,000	16%	State has a flat 16% estate tax on everything above \$2,750,000.
Washington	Estate Tax	\$2,193,000	20%	Exemption adjusted for inflation annually

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