



Planning Pieces

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@ILestateplanner

Did you know that Illinois charges its own estate tax?

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Illinois charges its own estate tax and the exemption amount does NOT mirror the federal exemption. Lately, I'm finding several clients unaware.

For 2014, the **federal estate tax exemption is \$5,340,000 per person**, adjusted annually for inflation, and there is "portability" among spouses which allows them to combine the exemptions between the two of them for a total of \$10,680,000 per married couple, but the **Illinois estate tax exemption is \$4,000,000 per person**, is not adjusted for inflation and spouses do not enjoy portability in the State of Illinois.

Clients affected by these levels should have their plans reviewed for savings or deferment opportunities.

It is also important for clients owning property in other states to know whether or not to expect tax. The following state survey was taken from: <http://www.house.leg.state.mn.us/hrd/pubs/estatesurv.pdf>

States with Estate Taxes – 12 and D.C.

Connecticut	Minnesota
Delaware	New York
District of Columbia	Oregon
Hawaii	Rhode Island
Illinois	Vermont
Maine	Washington
Massachusetts	

States with Inheritance Taxes – 5

Iowa	Pennsylvania
Kentucky	Tennessee*
Nebraska	

States with Estate & Inheritance Taxes – 2

Maryland	New Jersey
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States with Gift Taxes – 2

Connecticut	Minnesota
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*Tennessee prospectively repealed its inheritance tax in 2011, effective for deaths after December 31, 2015.

Additional 2014 federal estate and gift tax amounts of which to be aware:

ANNUAL EXCLUSION FOR GIFTS.....	\$14,000
GIFT TAX EXEMPTION (UNIFIED WITH ESTATE TAX EXEMPTION).....	\$5,340,000
GENERATION-SKIPPING TAX EXEMPTION (NOT PORTABLE).....	\$5,340,000
EXEMPTION FOR GIFTS TO NON-CITIZEN SPOUSES.....	\$145,000
LIMIT ON REDUCTION TO ESTATE USING 2032A.....	\$1,090,000