

**S.55 vs. New Policy**

*Assumptions:*

\$10.0M	Federal Gross Estate
<u>-\$0</u>	<u>Federal Line 2</u> (deductions and exemptions)
\$10.0M	Federal Taxable Estate
\$3.0M	Vermont Estate
\$7.0M	Non-Vermont Estate
\$0	Gifts
\$2.75M	Vermont Exclusion Amount

<u>S.55</u>	<u>New Policy</u>
<p><b>VT Gross Estate</b>            10M (fed taxable)            – 7.0 (non VT)  <u>– 2.75 (exclusion)</u>            = 0.25M</p> <p><b>VT Taxable Estate = \$0.25M</b></p>	<p><b>VT Gross Estate</b>            3.0M</p>
	<p><b>VT Taxable Estate =</b>            10 (fed taxable)  <u>– 2.75 (exclusion)</u>            = \$7.25M</p>
	<p><b>VT tax = .16 * 7.25 = \$1.16M</b></p>
	<p><b>VT apportionment ratio =</b>            VT Gross/Fed Gross = 3/10 = .3</p>
<p><b>Final Tax = .16*.25 = \$40k</b></p>	<p><b>Final Tax = .3 * 1.16M = \$348k</b></p>

S.55 – Estate Tax  
 Vermont Department of Taxes  
 Division of Policy, Outreach, and Legislative Affairs

