

Vermont Estate Tax Table - Computation of Estate Tax Liability

(1)	(2)	(3)	(4)
Adjusted taxable estate equal to or more than	Adjusted taxable estate less than	Tax on amount in column (1)	Rate of tax on excess over amount in column (1)
-	\$40,000	0	0%
40,000	90,000	0	1%
90,000	140,000	\$400	2%
140,000	240,000	1,200	2%
240,000	440,000	3,600	3%
440,000	640,000	10,000	4%
640,000	840,000	18,000	5%
840,000	1,040,000	27,600	6%
1,040,000	1,540,000	38,800	6%
1,540,000	2,040,000	70,800	7%
2,040,000	2,540,000	106,800	8%
2,540,000	2,750,000	146,800	9%
2,750,000	3,040,000	165,280	9%
3,040,000	3,540,000	190,800	10%
3,540,000	4,040,000	238,800	10%
4,040,000	5,040,000	290,800	11%
5,040,000	6,040,000	402,800	12%
6,040,000	7,040,000	522,800	13%
7,040,000	8,040,000	650,800	14%
8,040,000	9,040,000	786,800	14%
9,040,000	10,040,000	930,800	15%
10,040,000	--	1,082,800	16%

2015 Federal Unified Rate Schedule

(A)	(B)	(C)	(D)
Taxable amount over	Taxable amount not over	Tax on amount in column A	Rate of tax on excess over amount in column A
0	10,000	0	18%
10,000	20,000	1,800	20%
20,000	40,000	3,800	22%
40,000	60,000	8,200	24%
60,000	80,000	13,000	26%
80,000	100,000	18,200	28%
100,000	150,000	23,800	30%
150,000	250,000	38,800	32%
250,000	500,000	70,800	34%
500,000	750,000	155,800	37%
750,000	1,000,000	248,300	39%
1,000,000	--	345,800	40%

Brief Federal and State History

Calendar Year	Federal Exemption Amount	Maximum Rate	State Credit* Replaced with a Deduction	Vermont Exemption Amount
2001	\$675,000	55%	100%	\$675,000
2002	\$1,000,000	50%	75%	\$1,000,000
2003	\$1,000,000	49%	50%	\$1,000,000
2004	\$1,500,000	48%	25%	\$1,500,000
2005	\$1,500,000	47%	0%*	\$1,500,000
2006	\$2,000,000	46%	0%*	\$2,000,000
2007	\$2,000,000	45%	0%*	\$2,000,000
2008	\$2,000,000	45%	0%*	\$2,000,000
2009	\$3,500,000	45%	0%*	\$2,000,000
2010	Repeal	Repeal	Repeal	\$2,000,000
2011	\$5,000,000	35%	0%*	\$2,750,000
2012	\$5,120,000	35%	0%*	\$2,750,000
2013	\$5,250,000	40%	0%*	\$2,750,000
2014	\$5,340,000	40%	0%*	\$2,750,000
2015	\$5,430,000	40%	0%*	\$2,750,000

2014 Estate, Inheritance, and Gift Taxes

Estate Taxes - 12 States and DC

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

Inheritance Taxes - 5 States

Iowa
 Kentucky
 Nebraska
 Pennsylvania
 Tennessee (repealed 12/31/2015)

Estate and Inheritance - 2 States

Maryland
 New Jersey

Gift Taxes - 1 State

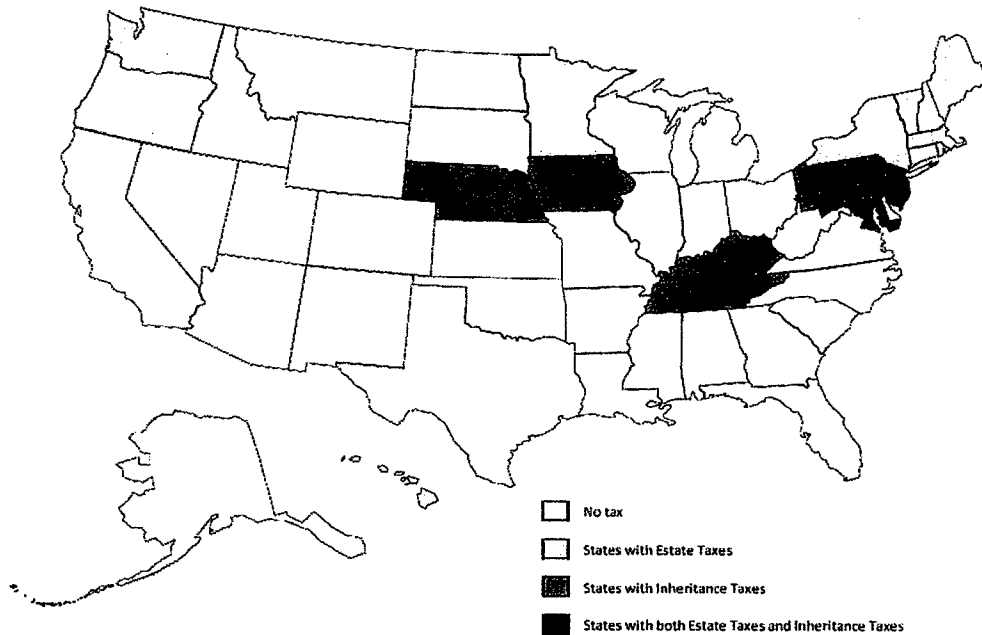
Connecticut

State Estate Taxes

State Estate Taxes	2014 Exemption Amount	Basis for Rate Schedule	Top Rate
Connecticut	\$2.0 million	State specific	12%
Delaware	\$5.34 indexed with fed	Federal credit	16%
DC	\$1.0 million	Federal credit	16%
Hawaii	\$5.34 indexed with fed	State specific	16%
Illinois	\$4.0 million	Federal credit	16%
Maine	\$2.0 million	State specific	12%
Maryland	\$1.0 million*	Federal credit	16%
Massachusetts	\$1.0 million	Federal credit	16%
Minnesota	\$1.2 million*	Federal credit	16%
New Jersey	\$675,000	Federal credit	16%
New York	\$2.062 million*	Federal credit	16%
Oregon	\$1.0 million	State specific	16%
Rhode Island	\$910,725*	Federal credit	16%
Vermont	\$2.75 million	Federal credit	16%
Washington	\$2.012 million (indexed)	State specific	20%

* scheduled to increase

State Estate and Inheritance Taxes



Estate Tax Examples - Page 1

CURRENT LAW

Example #1

Estate	5,400,000
Taxable Gifts	-
Pro Forma Federal Calculation	
Taxable Estate	5,400,000
Gross tax	2,105,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	1,060,000
Vermont Calculation	
Estate	5,400,000
Adjustment	<u>(60,000)</u>
Taxable Estate	5,340,000
Tax Liability	438,800
Tax Liability (min of two calcs)	438,800

Example #2

Estate	4,000,000
Taxable Gifts	1,000,000
Pro Forma Federal Calculation	
Taxable Income	5,000,000
Gross tax	1,945,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	900,000
Vermont Calculation	
Estate	4,000,000
Adjustment	<u>(60,000)</u>
Taxable Estate	3,940,000
Tax Liability	278,800
Tax Liability (min of two calcs)	278,800

Example #3

Estate	15,000,000
Taxable Gifts	3,000,000
Pro Forma Federal Calculation	
Taxable Income	18,000,000
Gross tax	7,145,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	6,100,000
Vermont Calculation	
Estate	15,000,000
Adjustment	<u>(60,000)</u>
Taxable Estate	14,940,000
Tax Liability	1,871,600
Tax Liability (min of two calcs)	1,871,600

PROPOSAL

Example #1

VT Estate	5,400,000
Exclusion Amount	2,450,000
Taxable Estate	2,950,000
Tax Rate	16%
Tax Liability	472,000

VT Estate	4,000,000
Exclusion Amount	2,450,000
Taxable Estate	1,550,000
Tax Rate	16%
Tax Liability	248,000

VT Estate	15,000,000
Exclusion Amount	2,450,000
Taxable Estate	12,550,000
Tax Rate	16%
Tax Liability	2,008,000

Prepared by JFO/st

Estate Tax Examples - Page 2

CURRENT LAW

Example #1

Estate	2,900,000
Taxable Gifts	-
Pro Forma Federal Calculation	
Taxable Estate	2,900,000
Gross tax	1,105,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	60,000
Vermont Calculation	
Estate	2,900,000
Adjustment	<u>(60,000)</u>
Taxable Estate	2,840,000
Tax Liability	173,380
Tax Liability (min of two calcs)	60,000

Example #2

Estate	2,750,000
Taxable Gifts	-
Pro Forma Federal Calculation	
Taxable Estate	2,750,000
Gross tax	1,045,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	-
Vermont Calculation	
Estate	2,750,000
Adjustment	<u>(60,000)</u>
Taxable Estate	2,690,000
Tax Liability	160,300
Tax Liability (min of two calcs)	-

Example #3

Estate	2,500,000
Taxable Gifts	500,000
Pro Forma Federal Calculation	
Taxable Estate	3,000,000
Gross tax	1,145,800
Less applicable credit @ \$2.75	<u>(1,045,800)</u>
Tax Liability	100,000
Vermont Calculation	
Estate	2,500,000
Adjustment	<u>(60,000)</u>
Taxable Estate	2,440,000
Tax Liability	158,800
Tax Liability (min of two calcs)	100,000

PROPOSAL

Example #1

VT Estate	2,900,000
Exclusion Amount	2,450,000
Taxable Estate	450,000
Tax Rate	16%
Tax Liability	72,000

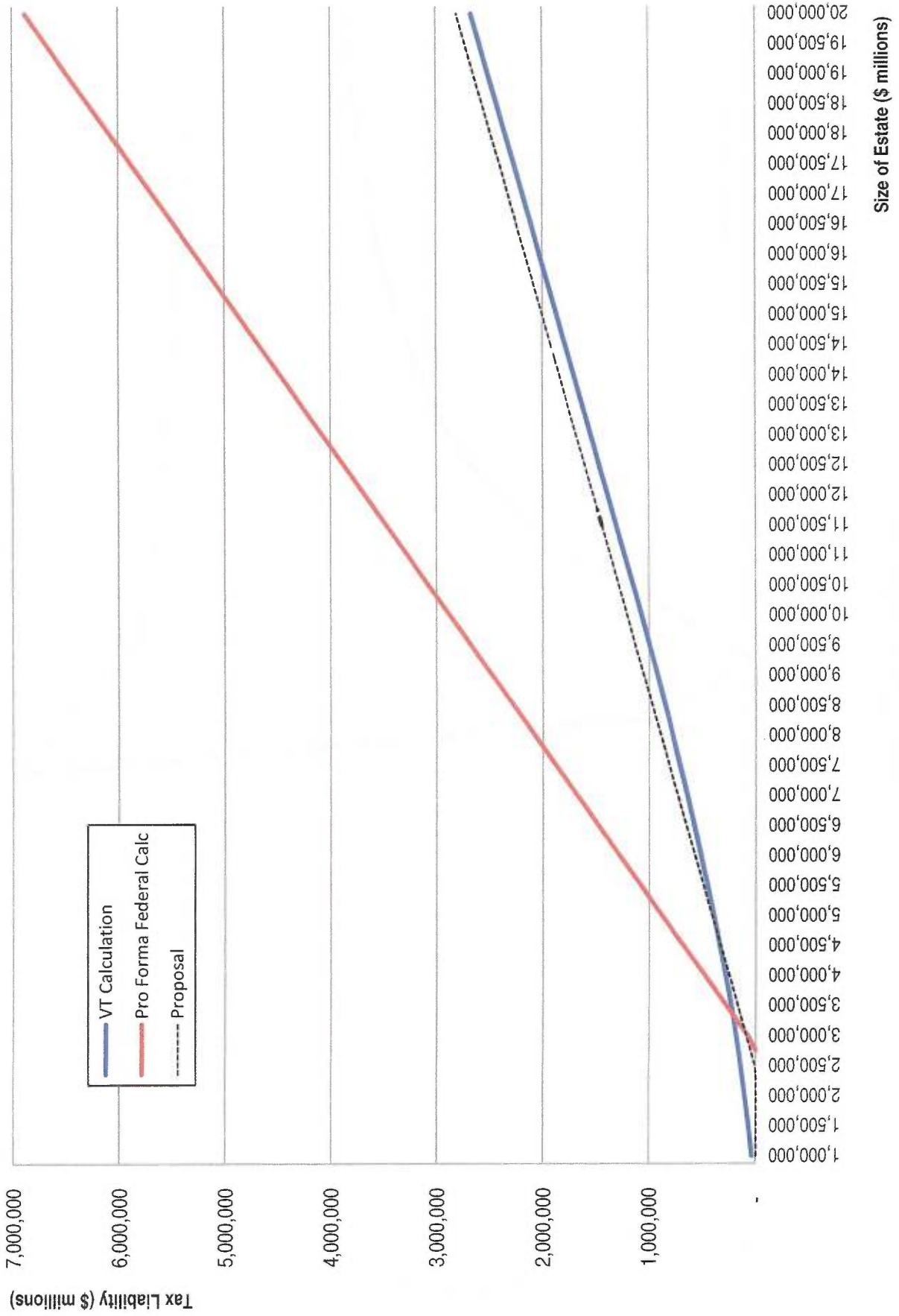
Example #2

VT Estate	2,750,000
Exclusion Amount	2,450,000
Taxable Estate	300,000
Tax Rate	16%
Tax Liability	48,000

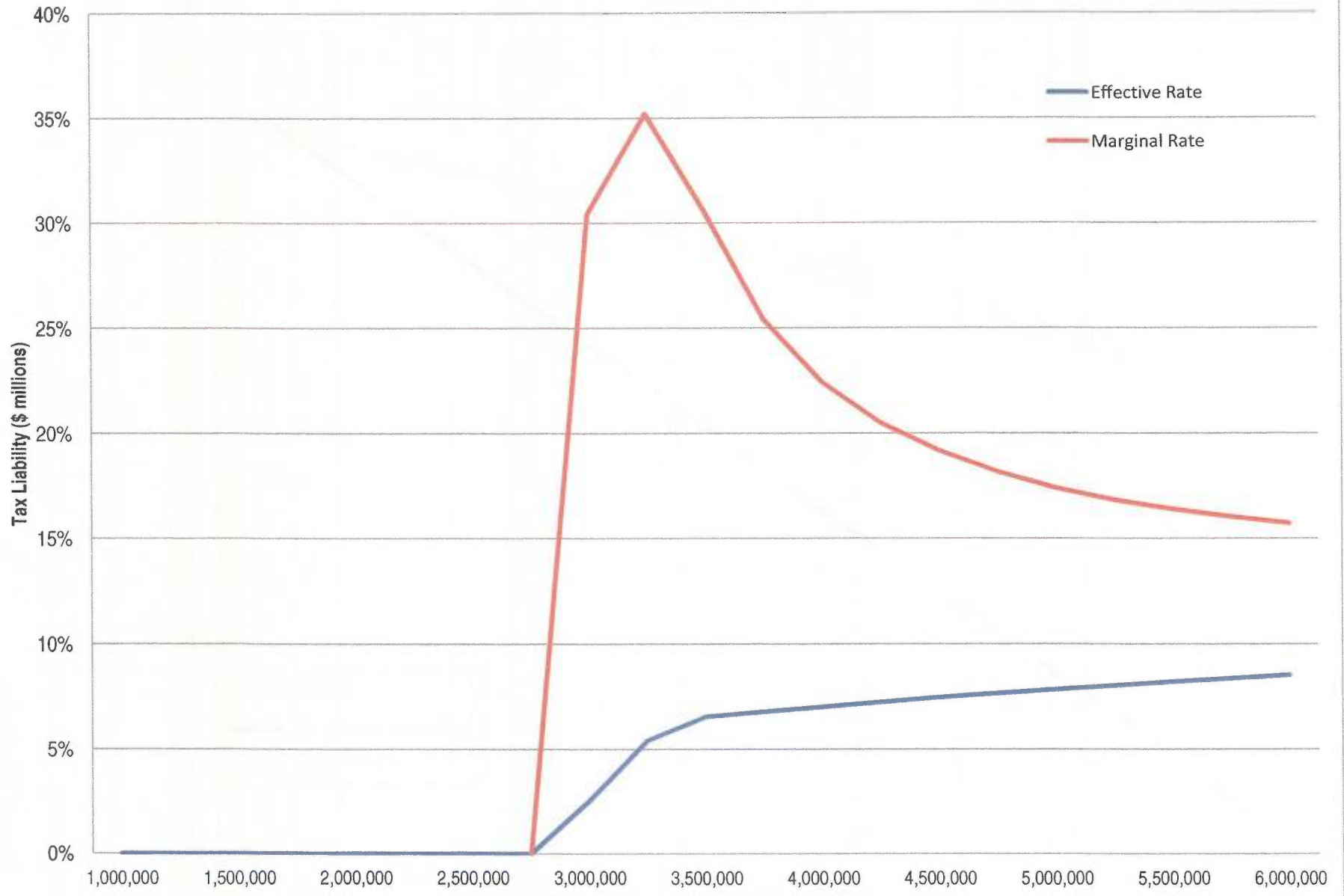
Example #3

VT Estate	2,500,000
Exclusion Amount	2,450,000
Taxable Estate	50,000
Tax Rate	16%
Tax Liability	8,000

Vermont Estate Tax Calculations



Vermont Estate Tax



Vermont Estate Tax Analysis

Row Labels	Returns	Current Law	2.45M	3.9M	5.43M
FY11	76	10,959,827	10,497,804	6,089,343	4,324,758
FY12	94	35,195,162	35,750,642	29,434,666	25,694,857
FY13	82	14,761,987	15,017,826	9,571,804	6,712,304
FY14	92	17,891,929	17,705,039	12,894,337	10,120,820
FY15 (1/2 Yr)	77	22,906,709	23,139,200	19,218,156	17,099,868
Grand Total	421	101,715,614	102,110,511	77,208,306	63,952,607

Five Year Average Difference: 100,000 (5,530,000) (2,950,000)

Note: Not a fiscal year analysis

State Taxation of Gifts (Source: <http://www.house.leg.state.mn.us/hrd/pubs/estatesurv.pdf>)

Table 6

Taxation of Gifts				
State	Type of death tax	Gift tax	Top rate of gift tax	Gifts-in-contemplation-of-death rules
Connecticut	Estate	Unified with estate tax	12% ⁵³	N.A.
Iowa	Inheritance	N.A.	N.A.	Transfers above the federal gift tax exclusion within three years of death, other than bona fide sales, are taxable ⁵⁴
Kentucky	Inheritance	N.A.	N.A.	Transfers of material part of estate made three years before death construed prima facie to be made in contemplation of death ⁵⁵
Maine	Estate	N.A.	N.A.	Gifts above the federal gift tax exclusion made within one year of death are included in the estate ⁵⁶
Maryland	Inheritance and estate	N.A.	N.A.	Gifts made within two years of the date of death are presumed taxable under the inheritance tax ⁵⁷
Minnesota	Estate	N.A.	N.A.	Gifts above the federal gift tax exclusion made within three years of the date of death are included in the taxable estate and after June 30, 2013 ⁵⁸
Nebraska	Inheritance	N.A.	N.A.	Gifts above the federal gift tax exclusion made within three years of the date of death are subject to inheritance taxation ⁵⁹
New Jersey	Inheritance	N.A.	N.A.	Transfers within three years of death deemed made in contemplation of death, absent proof to the contrary ⁶⁰
New York	Estate	N.A.	N.A.	Gifts above the federal gift tax exclusion made within three years of the date of death and while the decedent was a resident of New York are included in the taxable estate and after March 31, 2014 ⁶¹
Pennsylvania	Inheritance	N.A.	N.A.	Transfers greater than \$3,000 made within one year of date of death are taxable ⁶²