

2018 State Estate and Gift Tax Cheat Sheet

States vary in whether and how they tax transfers of property. A gift tax is imposed on property transferred while the donor is still alive. Estate taxes are imposed on the transfers of property after the decedent's death. Below is a summary of certain estate and gift tax laws applicable to New York, Connecticut, New Jersey and California residents.

New York

- Gift Tax: No. However, certain gifts made by decedents dying before 1/1/2019 are added back to the estate.
- Estate Tax: Yes.
- Rate: Top rate is 16%.
- Exemption Amount: Currently \$5,250,000, but subject to "cliff" for taxable estates in excess of 105% of exemption amount. Exemption scheduled to increase on 1/1/2019, at which point it will correspond to the pre-2018 Federal exemption amount (*i.e.*, \$5,490,000 per person, indexed for inflation).

Connecticut

- Gift Tax: Yes.
- Estate Tax: Yes.
- Rate: Top rate is 12%.
- Exemption Amount: Currently \$2,600,000. The gift and estate taxes are unified. Thus, lifetime gifts deplete the exemption available at death. Exemption scheduled to increase as follows:
 - Beginning 1/1/2019, will increase to \$3,600,000.
 - Beginning 1/1/2020, will match Federal exemption in effect at that time.

New Jersey

- New Jersey has no state gift or estate tax.¹

California

- California has no state gift or estate tax.

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¹ New Jersey does, however, still have an inheritance tax, which applies to transfers to beneficiaries other than charities, and spouses, children, grandchildren, and parents of the decedent.