

FEDERAL ESTATE TAX THRESHOLDS AND RATES

If an estate is larger than the threshold amount indicated below, the estate will be subject to Federal Estate Tax. Under certain circumstances, a smaller estate may also be subject to tax. The applicable rate depends upon the year of death. Since 2011, the determination is further complicated by "portability" - the ability of a surviving spouse to take advantage of his or her spouse's unused credit amount. The threshold amount is scheduled to revert to its former level of \$5,000,000 indexed for inflation - after December 31, 2025. There is a proposal in Congress to reduce the threshold to \$3,500,000.

Year of Death	Maximum Tax-Free Estate	Maximum Tax Rate
2001	\$675,000	55%
2002	\$1,000,000	50%
2003	\$1,000,000	49%
2004	\$1,500,000	48%
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	No Limit	No Tax **
2011	\$5,000,000	35%
2012	\$5,000,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%
2017	\$5,490,000	40%
2018	\$11,180,000	40%
2019	\$11,400,000	40%
2020	\$11,580,000	40%
2021	\$11,700,000	40%

** Optional 2011 rates

Warning - This Table and its contents are for informational purposes only. They do not constitute legal advice. The particular circumstances may affect a person's tax obligations. You should consult an attorney in the state where you reside to determine if Federal Estate Tax applies and the thresholds that apply to your particular situation before taking any action.

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