

Estate and Gift Tax Exemptions

Many of our clients are interested in the current and historic estate and gift tax. As you can see on the table below, the estate tax exemptions have changed nearly every year since 2001.

Most of our clients live in Minnesota and Wisconsin. We have not included the Wisconsin tax rates because the State of Wisconsin does not currently have an estate tax. The State of Minnesota does have an estate tax, and clients should note that the Minnesota exemption amount is *significantly* lower than the Federal estate tax exemption, and Minnesota estates are taxed at up to 16%. Note that if the total property in a person's estate (including property such as life insurance) exceeds the Minnesota exemption, the estate will be taxable. Best to seek advice for estates approaching the Minnesota Exemption.

This table is for illustration purposes only. The calculation of tax and consequences of gifting can be very complex. We always recommend seeking legal advice prior to making decisions about estate and gift tax.

Year	Minnesota Estate Tax Exemption	Minnesota Gift Tax Exemption	Fed Estate Tax Exemption	Fed GST Tax Exemption	Federal Gift Tax Exemption	Gift Tax Annual Exclusion
2001	\$675,000		\$675,000	\$1,060,000	\$675,000	\$10,000
2002-03	\$700,000		\$1 million	\$1,100,000	\$1 million	\$11,000
2004	\$850,000		\$1.5 million	\$1.5 million	\$1 million	\$11,000
2005	\$950,000		\$1.5 million	\$1.5 million	\$1 million	\$11,000
2006-08	\$1 million		\$2 million	\$2 million	\$1 million	\$12,000
2009	\$1 million		\$3.5 million	\$3.5 million	\$1 million	\$13,000
2010	\$1 million		Estate Tax repealed OR \$5 million*	GST Tax Repealed	\$1 million	\$13,000
2011	\$1 million		\$5 million portable	\$5 million not portable	\$5 million portable	\$13,000
2012	\$1 million		\$5,120,000 portable	\$5,120,000 not portable	\$5,120,000 portable	\$13,000
2013	\$1 million	Repealed	\$5,250,000 portable	\$5,250,000 not portable	\$5,250,000 portable	\$14,000
2014	\$1.2 million not portable	Repealed	\$5,340,000 portable	\$5,340,000 not portable	\$5,340,000 portable	\$14,000
2015	\$1.4 million not portable	Repealed	\$5,430,000 portable	\$5,430,000 not portable	\$5,430,000 portable	\$14,000
2016	\$1.6 million not portable	Repealed	\$5,450,000 portable	\$5,450,000 not portable	\$5,450,000 portable	\$14,000
2017	\$2.1 million not portable	Repealed	\$5,490,000 portable	\$5,490,000 not portable	\$5,490,000 portable	\$14,000
2018	\$2.4 million not portable	Repealed	\$11,200,000 portable	\$11,200,000 not portable	\$11,200,000 portable	\$15,000

Tax Rates

Year	Top Fed Estate Tax Rate*	Top Fed Gift Tax Rate
2001	55%	55%
2002	50%	50%
2003	49%	49%
2004	48%	48%
2005	47%	47%
2006	46%	46%
2007	45%	45%
2008	45%	45%
2009	45%	45%
2010	35%	35%
2011-12	35%	35%
2013-18	40%	40%

*The top Minnesota estate tax rate is currently 16%.