

Federal estate tax. The modern estate tax dates back to 1916. The exclusion amount has gradually increased over the years. The tax rate on wealthy estates had been steadily dropping until 2013, when the highest rate of tax was set at 40% - where it remains in 2014 as well.

For Decedents Dying During:	Applicable Exclusion Amount	Highest Federal Estate Tax Rate
1916	50,000	10%
1917	50,000	25%
1918-1923	50,000	25%
1924-1925	50,000	40%
1926-1931	100,000	20%
1932-1933	50,000	45%
1934	50,000	60%
1935-1939	40,000	70%
1940	40,000	70%
1941	40,000	77%
1942-1976	60,000	77%
1977	120,000	70%
1978	134,000	70%
1979	147,000	70%
1980	161,000	70%
1981	175,000	70%
1982	225,000	65%
1983	275,000	60%
1984	325,000	55%
1985	400,000	55%
1986	500,000	55%
1987-1997	600,000	55%
1998	625,000	55%
1999	650,000	55%
2000 & 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 & 2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	\$5,000,000 or \$0	35% or 0%
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%

Virginia estate tax. The Virginia estate tax was abolished for residents dying after July 1, 2007.

Prior to 2007, the following filing thresholds (mirroring the federal exemptions) applied:

Date of death gross value exceeding:

Through December 31, 1997 \$600,000

January 1, 1998 - December 31, 1998 \$625,000

January 1, 1999 - December 31, 1999 \$650,000

January 1, 2000 - December 31, 2001 \$675,000

January 1, 2002 - December 31, 2003 \$1,000,000

January 1, 2004 - December 31, 2005 \$1,500,000

January 1, 2006 - June 30, 2007 \$2,000,000

D.C. and Maryland. Estate tax is imposed on estates over \$1,000,000.

Revised 1-9-14 – All rights reserved