



# FEDERAL ESTATE, GIFT AND GST TAX RATES & EXEMPTIONS

2020 EDITION

Calendar Year	Highest Estate Tax Rate	Estate Tax Exemption <sup>1</sup>	GST Tax Rate	GST Exemption <sup>1</sup>	Highest Gift Tax Rate	Gift Tax Exemption <sup>1</sup>	Gift Tax Annual Exclusion
2020	40%	\$11,580,000 <sup>2</sup>	40%	\$11,580,000 <sup>2</sup>	40%	\$11,580,000 <sup>2</sup>	\$15,000 <sup>3</sup>
2019	40%	\$11,400,000 <sup>2</sup>	40%	\$11,400,000 <sup>2</sup>	40%	\$11,400,000 <sup>2</sup>	\$15,000 <sup>3</sup>
2018	40%	\$11,180,000 <sup>2</sup>	40%	\$11,180,000 <sup>2</sup>	40%	\$11,180,000 <sup>2</sup>	\$15,000 <sup>3</sup>
2017	40%	\$5,490,000 <sup>4</sup>	40%	\$5,490,000 <sup>4</sup>	40%	\$5,490,000 <sup>4</sup>	\$14,000 <sup>5</sup>
2016	40%	\$5,450,000 <sup>4</sup>	40%	\$5,450,000 <sup>4</sup>	40%	\$5,450,000 <sup>4</sup>	\$14,000 <sup>5</sup>
2015	40%	\$5,430,000 <sup>4</sup>	40%	\$5,430,000 <sup>4</sup>	40%	\$5,430,000 <sup>4</sup>	\$14,000 <sup>5</sup>
2014	40%	\$5,340,000 <sup>4</sup>	40%	\$5,340,000 <sup>4</sup>	40%	\$5,340,000 <sup>4</sup>	\$14,000 <sup>5</sup>
2013	40%	\$5,250,000 <sup>4</sup>	40%	\$5,250,000 <sup>4</sup>	40%	\$5,250,000 <sup>4</sup>	\$14,000 <sup>5</sup>
2012	35%	\$5,120,000 <sup>4</sup>	35%	\$5,120,000 <sup>4</sup>	35%	\$5,120,000 <sup>4</sup>	\$13,000 <sup>5</sup>

For all years above: (i) state estate taxes are deductible from the gross estate (IRC §2058); and (ii) deceased spousal unused exclusion amount (IRC §2010(c)(4)) is portable to the surviving spouse.

Other inflation-adjusted figures for 2020:

- Threshold for top federal income tax bracket (37% – same as 2019) and the 3.8% tax on net investment income for estates and trusts – over \$12,950; up from \$12,750 in 2019.
- Annual exclusion for gifts to noncitizen spouses – \$157,000; up from \$155,000 in 2019.
- Portion of estate tax eligible for interest at 2% under IRC §6166 – \$1,570,000; up from \$1,550,000 in 2019.
- Special use valuation under IRC §2032A – limit on reduction of gross estate – \$1,180,000; up from \$1,160,000 in 2019.

## NOTES

1. Increased exemption remains in effect until January 1, 2026.
2. Chained-CPI inflation adjustment applied to base amount of \$10,000,000.
3. Chained-CPI inflation adjustment applied to base amount of \$10,000.
4. CPI inflation adjustment applied to base amount of \$5,000,000.
5. CPI inflation adjustment applied to base amount of \$10,000.

# FEDERAL ESTATE, GIFT AND GST TAX RATES & EXEMPTIONS

2001-2019

Calendar Year	Highest Estate Tax Rate	Estate Tax Exemption	GST Tax Rate	GST Exemption	Highest Gift Tax Rate	Gift Tax Exemption	Gift Tax Annual Exclusion	5% Surtax <sup>4</sup>	State Death Tax Credit/Deduction	Carryover Basis	Portability of Spouse's Unused Estate/Gift Exemption
2001	55%	\$675,000	55%	\$1,060,000 <sup>1</sup>	55%	\$675,000	\$10,000 <sup>2</sup>	Yes	Full Credit	No	No
2002	50%	\$1,000,000	50%	\$1,100,000 <sup>1</sup>	50%	\$1,000,000	\$11,000 <sup>2</sup>	No	75% Credit	No	No
2003	49%	\$1,000,000	49%	\$1,120,000 <sup>1</sup>	49%	\$1,000,000	\$11,000 <sup>2</sup>	No	50% Credit	No	No
2004	48%	\$1,500,000	48%	\$1,500,000	48%	\$1,000,000	\$11,000 <sup>2</sup>	No	25% Credit	No	No
2005	47%	\$1,500,000	47%	\$1,500,000	47%	\$1,000,000	\$11,000 <sup>2</sup>	No	Full Deduction	No	No
2006	46%	\$2,000,000	46%	\$2,000,000	46%	\$1,000,000	\$12,000 <sup>2</sup>	No	Full Deduction	No	No
2007	45%	\$2,000,000	45%	\$2,000,000	45%	\$1,000,000	\$12,000 <sup>2</sup>	No	Full Deduction	No	No
2008	45%	\$2,000,000	45%	\$2,000,000	45%	\$1,000,000	\$12,000 <sup>2</sup>	No	Full Deduction	No	No
2009	45%	\$3,500,000	45%	\$3,500,000	45%	\$1,000,000	\$13,000 <sup>2</sup>	No	Full Deduction	No	No
2010	35%	\$5,000,000	0%	\$5,000,000	35%	\$1,000,000	\$13,000 <sup>2</sup>	No	Full Deduction	No <sup>5</sup>	No
2011	35%	\$5,000,000	35%	\$5,000,000	35%	\$5,000,000	\$13,000 <sup>2</sup>	No	Full Deduction	No	Yes
2012	35%	\$5,120,000 <sup>3</sup>	35%	\$5,120,000 <sup>3</sup>	35%	\$5,120,000 <sup>3</sup>	\$13,000 <sup>2</sup>	No	Full Deduction	No	Yes
2013	40%	\$5,250,000 <sup>3</sup>	40%	\$5,250,000 <sup>3</sup>	40%	\$5,250,000 <sup>3</sup>	\$14,000 <sup>2</sup>	No	Full Deduction	No	Yes
2014	40%	\$5,340,000 <sup>3</sup>	40%	\$5,340,000 <sup>3</sup>	40%	\$5,340,000 <sup>3</sup>	\$14,000 <sup>2</sup>	No	Full Deduction	No	Yes
2015	40%	\$5,430,000 <sup>3</sup>	40%	\$5,430,000 <sup>3</sup>	40%	\$5,430,000 <sup>3</sup>	\$14,000 <sup>2</sup>	No	Full Deduction	No	Yes
2016	40%	\$5,450,000 <sup>3</sup>	40%	\$5,450,000 <sup>3</sup>	40%	\$5,450,000 <sup>3</sup>	\$14,000 <sup>2</sup>	No	Full Deduction	No	Yes
2017	40%	\$5,490,000 <sup>3</sup>	40%	\$5,490,000 <sup>3</sup>	40%	\$5,490,000 <sup>3</sup>	\$14,000 <sup>2</sup>	No	Full Deduction	No	Yes
2018	40%	\$11,180,000 <sup>3</sup>	40%	\$11,180,000 <sup>3</sup>	40%	\$11,180,000 <sup>3</sup>	\$15,000 <sup>2</sup>	No	Full Deduction	No	Yes
2019	40%	\$11,400,000 <sup>3</sup>	40%	\$11,400,000 <sup>3</sup>	40%	\$11,400,000 <sup>3</sup>	\$15,000 <sup>2</sup>	No	Full Deduction	No	Yes

## NOTES

1. Inflation adjustment applied to base amount of \$1,000,000. Before 2018, the inflation adjustment was based on the CPI; starting in 2018 it is based on the chained-CPI.
2. Inflation adjustment applied to base amount of \$10,000. Before 2018, the inflation adjustment was based on the CPI; starting in 2018 it is based on the chained-CPI.
3. Before 2018, CPI inflation adjustment applied to base amount of \$5,000,000. Starting in 2018, chained-CPI inflation adjustment applied to base amount of \$10,000,000.
4. In 2001, a 5% surtax was imposed on estates between \$10,000,000 and \$17,184,000. The latter figure was the first point at which the average estate tax rate (determined without regard to any credits) was 55%. A comparable surtax applied to cumulative gifts within that range.
5. Executor may elect for the estate tax and step-up in basis rules not to apply to a 2010 decedent; this election results in the application of the modified carryover basis rules to the estate.