

Title

FREQUENTLY ASKED ^ QUESTIONS

December 2016

Q Has the New Jersey Estate Tax been eliminated?

A For 2017, it has been amended. It is eliminated effective January 1, 2018.

P.L. 2016, Chapter 57, "**AN ACT** adjusting certain State taxes to support strengthened investments in public and private assets in this State, amending and supplementing various parts of the statutory law pertaining to taxes of this State", addresses the New Jersey Estate Tax in section 7. The only changes are as follows:

For Decedents dying on or after January 1, 2017, a new tax schedule is applicable:

On any amount up to \$100,000	0.0%	On any amount in excess of \$500,000 up to \$700,000	\$10,000 + 4.0% of the excess over \$500,000
On any amount in excess of \$100,000, up to \$150,000	0.8% of the excess over \$100,000	On any amount in excess of \$700,000 up to \$900,000	\$18,000 + 4.8% of the excess over \$700,000
On any amount in excess of \$150,000 up to \$200,000	\$400 + 1.6% of the excess over \$150,000	On any amount in excess of \$900,000 up to \$1,100,000	\$27,600 + 5.6% of the excess over \$900,000
On any amount in excess of \$200,000 up to \$300,000	\$1,200 + 2.4% of the excess over \$200,000	On any amount in excess of \$1,100,000 up to \$1,600,000	\$38,800 + 6.4% of the excess over \$1,100,000
On any amount in excess of \$300,000 up to \$500,000	\$3,600 + 3.2% of the excess over \$300,000	On any amount in excess of \$1,600,000 up to \$2,100,000	\$70,800 + 7.2% of the excess over \$1,600,000

(for amounts over \$2.1 million, refer to the statute or call for assistance)

Between January 1, 2017 and January 1, 2018, an exclusion of \$2 million is applicable. Estates with a value of less than \$2 million will not be subject to an Estate Tax.

For Decedents dying on or after January 1, 2018, the New Jersey Estate Tax will be eliminated.

The New Jersey Transfer Inheritance Tax remains unchanged.

As with Inheritance Taxes, if an escrow is to be held, the assistance of a member of our underwriting staff should be sought in order to determine the proper escrow amount. A completed Estate Debts Questionnaire should be obtained and provided.

As always, feel free to address any questions to a member of our underwriting staff.