

Inheritance Tax Rates and Exemptions, As of January 1, 2012

State	Heir type	Exemption	Rate (Min. to Max.)
Ind.	Spouse/Charity	100% Exempt	0
	Class A	\$100,000	1% - 10%
	Class B	\$500	7% - 15%
	Class C	\$100	10% - 20%
Iowa	Class A	100% Exempt	0
	Class B	No exemption	5% - 10%
	Class C	No exemption	10% - 15%
Ky.	Class A	100% Exempt	0
	Class B	\$1,000	4% - 16%
	Class C	\$500	6%-16%
Md. (a)	Lineal Heirs	100% Exempt	0%
	All others	No exemption	10%
Nebr. (b)	Immediate Relative	\$40,000	1%
	Remote Relative	\$15,000	13%
	All others	\$10,000	18%
N.J. (a, c)	Class A	100% Exempt	0%
	Class C	\$25,000	16%
	Class D	\$500	16%
Pa.	Lineal Heirs	\$3,500	5%
	Siblings	No exemption	12%
	Others	No exemption	15%

Note: Inheritance taxes are levied on the the posthumous transfer of assets based on relationship to the decedent. Generally, Class A beneficiaries are spouses, children, and often siblings. Class B beneficiaries are non-immediate family members. Class C beneficiaries are non-family members. Unlike estate taxes, the term "exemption" here applies not to the size of the estate, but the size of the gift itself.

- (a) Maryland and New Jersey have both an estate tax and an inheritance tax
- (b) Nebraska's inheritance tax is levied at the county level.
- (c) New Jersey's inheritance tax only applies to estates over \$1M.

Source: American Family Business Foundation.

Tax Foundation
www.TaxFoundation.org

