

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 187

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**Version:** As introduced

**Authors:** Brod and others

**Subject:** Estate tax - adopt federal exemption amount

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### Overview

This bill would conform the Minnesota estate tax to the amount of the exemption under the federal estate tax, effective for estates of decedents dying after December 31, 2006.

#### Section

- 1 Estate tax exemption amount.** Adopts the exemption amount under the federal estate for Minnesota estate tax purpose. Present law provides a Minnesota exemption of \$1 million. Minnesota's exemption amount is based on federal law before the passage of the Economic Growth and Tax Relief Act of 2001 (EGTRRA), which increased the exemption amounts and temporarily repealed the federal estate tax for one year (2010). The bill would increase the Minnesota exemption to \$2 million beginning for deaths in calendar year 2007. The table on the next page shows the schedule of the federal exemption amounts under EGTRRA and pre-EGTRRA law (the basis for Minnesota's current exemption). The bill is unclear as to what the exemption amount would be for deaths during calendar year 2010, when the federal estate tax is not in effect.

Exemption Amounts Under Federal Estate Tax		
Deaths during	Pre-EGTRRA	EGTRRA
2002	\$700,000	\$1,000,000
2003	700,000	1,000,000
2004	850,000	1,500,000

**Section**

2005	950,000	1,500,000
2006 - 2008	1,000,000	2,000,000
2009	1,000,000	3,500,000
2010	1,000,000	no tax
2011	1,000,000	1,000,000