

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 388

DATE: March 12, 2013

Version: As amended by author's amendment (H0388A1)

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Subject: Estate tax – increase exemption amount

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Overview

This bill increases the exemption under the estate from \$1 million to \$2 million, effective for estates of decedents dying after December 31, 2012. In addition, the bill reduces the combined exemptions for qualified small business and farm property from \$4 million to \$3 million.

Section

- 1** **Filing requirement.** Increases the threshold that requires filing an estate tax return from a federal gross estate of \$1 million to \$2 million.

Effective date: Decedents dying after December 31, 2012.

- 2** **Estate tax exemptions.** Modifies computation of the estate tax to increase the general exemption available to all estates from \$1 million to \$2 million and reduces the combined exemptions for qualified small business and farm property from \$4 million to \$3 million.

Effective date: Decedents dying after December 31, 2012.