

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 388
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Subject: Estate tax – filing requirement and exemption amount

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This bill increases, from \$1 million to \$2 million, the threshold value of the federal gross estate that requires filing a Minnesota estate tax return. This has the effect of exempting estates with federal gross estates of less than \$2 million from paying Minnesota estate tax, since they will not be required to file a return and, thus, to pay tax. However, computation of the tax does not change (for example, for estates that have a federal gross estate of \$2 million or more, or that otherwise have an obligation to file a federal estate tax return, for example based on taxable gifts), so this is not a true increase in the exemption that will reduce the tax obligations of larger estates.