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can save heirs from a hefty tax bill.

Nov. 16, 2023



*By Katelyn Washington, Kiplinger Consumer News Service (TNS)*

The federal estate tax exemption amount is going up again for 2024. A higher exemption means more estates may be exempt from the federal tax, which can save heirs from a hefty tax bill. The amount is inflation-adjusted by the IRS each year. So,

while the increase probably isn't a surprise, it's still a big deal for many wealthy

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Each spouse can take advantage of the exemption, which means the combined exemption amount jumps to \$27.22 million for married couples.

## Estate tax rate

Given the high estate tax exemption amount, only a small percentage of estates are subject to the federal estate tax. However, estates valued at more than the exemption amount are taxed at a hefty rate, with values exceeding the exemption amount by more than \$1 million (\$14.61 million or \$28.22 million combined for married couples) taxed at 40%.

Here's how much your heirs can expect to pay based on the value of your estate.

Rate	Taxable Amount (Value of Estate Exceeding Exemption)
18%	\$0 to \$10,000
20%	\$10,001 to \$20,000
22%	\$20,001 to \$40,000
24%	\$40,001 to \$60,000
26%	\$60,001 to \$80,000
28%	\$80,001 to \$100,000
30%	\$100,001 to \$150,000
32%	\$150,001 to \$250,000
34%	\$250,001 to \$500,000
37%	\$500,001 to \$750,000
39%	\$750,001 to \$1 million
40%	More than \$1 million

# Estate tax exemption sunset

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Period	Exemption Amount
2017	\$5,490,000
2018	\$11,180,000
2019	\$11,400,000
2020	\$11,580,000
2021	\$11,700,000
2022	\$12,060,000
2023	\$12,920,000
2024	\$13,610,000

Source: Kiplinger

## State estate taxes

Just because the value of your estate falls below the 2024 federal estate tax exemption amount doesn't mean you won't get hit with a tax bill. That's because some states impose an estate tax of their own, and the exemption amounts aren't typically as generous as the federal estate tax exemption. For example, in Massachusetts, the state estate tax exemption is only \$1 million.

To make matters worse, a handful of states also impose an inheritance tax, which can leave heirs with a tax bill on even small amounts of money. For example, Nebraska imposes an inheritance tax on adult children when their inheritances exceed \$100,000. And in Kentucky, nieces and nephews only receive a \$1,000 exemption.

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