

## Estate Tax Legislation Activity at the State Level

A plethora of activity has erupted within many State legislatures since January due to the expiration of the federal estate tax on December 31, 2009. So far this year Idaho, Indiana, Maryland, Nebraska, South Dakota, Tennessee, Virginia, Utah and Washington have enacted legislation to address the construction of formula bequests in wills and trusts due to the elimination of the federal estate and generation-skipping transfer tax this year.

Legislation regarding formulaic dispositions is pending in many states at this time. The pattern generally followed by this legislation calculates formula bequests as though the federal estate tax law in effect on December 31, 2009 did not expire on January 1, 2010. Rhode Island has introduced this legislation as well. Additionally, Rhode Island already enacted a new law which increased the state estate tax exemption from \$675,000 to \$850,000 for decedents dying after January 1, 2010 (although defects in how this legislation was drafted will hopefully be corrected in legislation pending as of the date of this article).

Also, a bill has been introduced in New York to increase the state estate tax exemption to \$1,000,000, regardless of the federal estate tax law in effect on date of death.

Even Florida, long-identified as a haven for those fleeing not only the cold weather but tax-heavy states, got into the act and is considering a bill which would impose an estate tax on the Florida property of non-resident decedents. Florida has not imposed an estate tax on estates of non-resident decedents since 2005.

For further information contact  
[Deborah DiNardo, dd@psh.com](mailto:dd@psh.com) or  
[Lawrence D. Hunt, ldh@psh.com](mailto:ldh@psh.com)