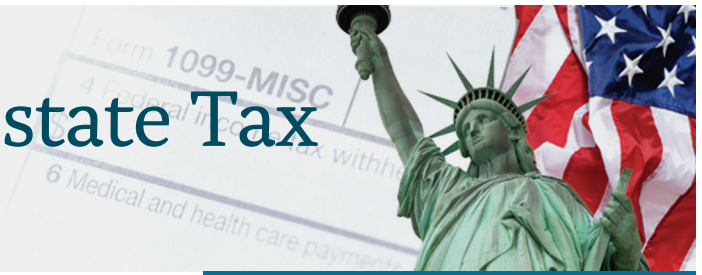




History of the U.S. Estate Tax

Estate Tax Timeline



1797

First estate tax.



1862

Estate tax used to help finance Civil War.

1898

Estate tax returns to help fund Spanish-American War.



1916

Estate tax introduced to help fund WWI.

1926

Gift tax repealed and estate tax lowered.



1940

Top estate tax bracket increases to 70% to help fund WWII.

1802

Estate tax repealed.

1870

Estate tax repealed.



1902

Estate tax repealed.

1924

Federal gift tax instituted to prevent estate tax circumvention.



1932

Gift tax returns and top estate tax bracket increases to 45% to fund programs during Great Depression.

Continued on back



History of the U.S. Estate Tax

Estate Tax Timeline

Continued from front

1976

Congress provides a \$175,625 phased-in exemption.



1981

Unlimited marital deduction introduced and exemption raised to \$225,000.

1986

Exemption becomes \$600,000.



1997

Exemption to increase over phase-in to \$1,000,000.

2001

Economic Growth and Tax Relief Reconciliation Act of 2001 is passed.

2010

Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010

2012

American Taxpayers Relief Act of 2012

2017

Tax Cuts and Jobs Act of 2017



Estate Tax Exemptions

Year	Exemption	Top Rate
2002	\$1,000,000	50%
2003	\$1,000,000	49%
2004	\$1,500,000	48%
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	Choice of: Unlimited	0*
	\$5,000,000	35%
2011	\$5,000,000	35%
2012	\$5,125,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%
2017	\$5,490,000	40%
2018	\$11,180,000	40%
2019	\$11,400,000	40%
2020	\$11,580,000	40%
2021	\$11,700,000	40%

* Limited step-up in basis.

As a result of the Tax Cuts and Jobs Act of 2017 (TCJA), the estate, gift and generation skipping transfer (GST) tax exemption amounts increased to \$11.18 million per person (\$22.36 million for a married couple) effective in 2018. For asset transfers in excess of the applicable exemption amount and otherwise subject to such taxes, the highest applicable federal tax rate remains at 40 percent. While the exemption amounts are indexed for inflation, current law provides for an automatic sunset of these increased exemption amounts after 2025. As a result, the exemption amounts available in 2026 and beyond could be reduced to a level provided under prior law (\$5.49 million/single and \$10.98 million/couple in 2017, indexed for inflation) absent further action by Congress. In addition, under different rates, rules and exemption amounts (if any), there may be state and local estate, inheritance or gift taxes that apply in your circumstances. The Nautilus Group® is a service of New York Life Insurance Company. New York Life, its agents, employees and affiliates do not provide tax, legal or accounting advice. Please consult your own tax or legal advisor for advice pertaining to your specific situation. SMRU 1720173 Exp. 3.1.2023



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