

Table 18.3—State transfer tax systems in the South, 2008

State	Estate	Inheritance	Gift	Generation-skipping
Alabama	X ^a	—	—	X ^j
Arkansas	X ^a	—	—	—
Florida	X ^a	—	—	X ^j
Georgia	X ^a	—	—	—
Kentucky	X ^b	X ^b	—	—
Louisiana	X ^b	X ^b	^g	—
Mississippi	X ^a	—	—	—
North Carolina	X ^c	—	X ^h	X ^j
Oklahoma	X, X ^d	—	—	—
South Carolina	X ^a	—	—	X ^j
Tennessee	X ^e	X ^e	X ⁱ	X ^j
Texas	X ^a	—	—	X ^j
Virginia	^f	—	—	X ^j

Sources: CCH Financial Planning Toolkit. <http://www.finance.cch.com/text/c50s15d170.asp>. [Date accessed: September 11, 2008]. Bankrate.com State Tax Roundup. http://www.bankrate.com/bnm/news/news_taxes_home.asp. [Date accessed: September 11, 2008]. Other sources as indicated in footnotes.

^a The State levies an estate tax equal to the maximum Federal credit for State transfer taxes allowed under IRC section 2011. Under the phase-out of the Federal credit put in place by EGTRRA, the tax dropped to \$0 for estates of decedents dying after December 31, 2004.

^b The State levies an estate tax equal to the maximum Federal credit for State transfer taxes allowed under IRC section 2011, plus an inheritance tax. Under the phase-out of the Federal credit put in place by EGTRRA, the estate tax dropped to \$0 for estates of decedents dying after December 31, 2004. The inheritance tax is a layered tax under which the rate varies according to a beneficiary's relation to the decedent.

^c North Carolina has decoupled its estate tax from Federal estate tax provisions. The tax applies to estates of decedents dying after December 31, 2004, and equals the maximum Federal credit for State transfer taxes allowed under IRC section 2011 as of December 31, 2001. North Carolina Department of Revenue. <http://www.dorn.com/taxes/estate/general.html>. [Date accessed: September 11, 2008].

^d Oklahoma levies a stand-alone estate tax, plus a piggy-back estate tax equal to the maximum Federal credit for State transfer taxes allowed under IRC section 2011. The stand-alone tax is a layered tax under which the rate varies according to a beneficiary's relation to the decedent. Under the phase-out of the Federal credit put in place by EGTRRA, the piggy-back tax dropped to \$0 for estates of decedents dying after December 31, 2004.

^e Tennessee levies an estate tax equal to the maximum Federal credit for State transfer taxes allowed under IRC section 2011, plus an inheritance tax. Under the phase-out of the Federal credit put in place by EGTRRA, the estate tax dropped to \$0 for decedents dying after December 31, 2004. The inheritance tax recognizes an exclusion amount of \$1 million and allows exemptions for transfers to the decedent's spouse, government entities, and charitable, educational, or religious organizations.

^f Virginia repealed its estate tax, effective for the estates of decedents dying after June 30, 2007. The estates of decedents dying on or before that date were subject to an estate tax equal to the maximum Federal credit for State transfer taxes allowed under IRC section 2011. Under the phase-out of the Federal credit put in place by EGTRRA, the tax dropped to \$0 for estates of decedents dying after December 31, 2004.

^g Louisiana repealed its gift tax, effective for gifts made after June 30, 2008. Gifts made on or before that date are subject to a tax with annual exclusion and exemption amounts that mirror Federal gift tax provisions. Baldwin Haspel Burke & Mayer LLC. <http://www.bhbmlaw.com/alerts-updates-149.html>. [Date accessed: September 11, 2008].

^h North Carolina levies a layered gift tax under which the rate varies according to a recipient's relation to the donor. North Carolina Department of Revenue. <http://www.dorn.com/taxes/gift/>. [Date accessed: September 11, 2008].

ⁱ Tennessee levies a gift tax with an exemption that varies according to the donor's relation to the recipient. Tennessee Department of Revenue. <http://tn.gov/revenue/tntaxes/gift.htm>. [Date accessed: September 11, 2008].

^j The State levies a generation-skipping tax equal to the maximum Federal credit for State generation-skipping transfer taxes allowed under IRC section 2604. Under the phase-out of the Federal credit put in place by EGTRRA, the tax dropped to \$0 after December 31, 2004.