

Table 18.4—State transfer tax systems in the West, 2008

State	Estate	Inheritance	Gift	Generation-skipping
Alaska	X ^a	—	—	—
Arizona	^b	—	—	^b
California	X ^a	—	—	X ^f
Colorado	X ^a	—	—	X ^f
Hawaii	X ^a	—	—	X ^f
Idaho	X ^a	—	—	—
Montana	X ^a	^d	—	X ^f
Nevada	X ^a	—	—	X ^f
New Mexico	X ^a	—	—	—
Oregon	—	X ^e	—	—
Utah	X ^a	—	—	—
Washington	X ^c	—	—	^g
Wyoming	X ^a	—	—	—

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/brm/news/news_taxes_home.asp. [Date accessed: September 11, 2008].

^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^b Arizona permanently repealed its estate and generation-skipping taxes, effective for tax years beginning after December 31, 2005.

^c Washington has decoupled its estate tax from the Federal estate tax provisions. The tax is a graduated tax on estates of decedents dying after May 16, 2005. The first \$1.5 million of the taxable estate of decedents dying between May 17 and December 31, 2005, and the first \$2 million of the taxable estate of decedents dying after that period, are exempt from the tax.

^d Montana repealed its inheritance tax, effective for tax years beginning after December 31, 2000.

^e Oregon has decoupled its inheritance tax from Federal provisions. Effective for tax years beginning after December 31, 2005, the tax equals the maximum credit for State transfer taxes allowed under IRC section 2011 as of December 31, 2000, but recognizing an exclusion amount of \$1 million.

^f 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.

^g Washington repealed its generation-skipping tax, effective May 17, 2005.