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Estate Planning Update July 2018 - Connecticut Estate Tax Interim Update

Connecticut enacted a new law in October 2017, calling for the Connecticut estate tax exemption to match the federal estate tax exemption beginning in 2020. For further details, see our article, "Connecticut Increases Its Estate and Gift Tax Exemptions," in the December 2017 *Update*. The Connecticut legislature did not anticipate the doubling of the federal estate tax exemption under the new federal tax law, which was enacted a few months later. The Connecticut legislature is working on a change that would address what is now a steep increase in the Connecticut estate tax exemption (from $3.6 million in 2019, to $11.18 million plus an inflation adjustment in 2020). Whether the ultimate solution is capping of the exemption at a figure of closer to the 2017 exemption or a more gradual ramp-up until the Connecticut exemption matches the federal exemption remains to be seen. Expectations are, however, that the matter will be resolved well before 2020.