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State Estate Tax Developments and Impact of Potential Federal Repeal

New Jersey has repealed its estate tax, increasing the New Jersey exemption to \$2 million in 2017 and eliminating the tax entirely for decedents dying in 2018 or later. New Jersey's separate inheritance tax would still affect some estates. See our [special October 2016 Estate Planning Update](#) for further details..

New York has been increasing its estate tax exemption in steps. The New York estate tax exemption will increase to \$5.25 million effective for decedents dying on or after April 1, 2017. The New York exemption will match the federal exemption, beginning on January 1, 2019. The **Massachusetts** estate tax exemption remains \$1 million, and the **Connecticut** exemption remains \$2 million. Absent action by the state legislatures, the New York, Massachusetts and Connecticut estate taxes would remain in effect even if the federal estate tax were to be repealed.

A little good news: Massachusetts tax authorities do appear to be conceding that the Massachusetts estate tax does not apply to real estate located outside the commonwealth. See our *Trusts & Estates* article, "[Massachusetts Court Ruling Reveals Estate Tax Constitutional Issue](#)," for more details.