

Tax, Trusts and Estates Update - November 2016

October 31, 2016

SIGNIFICANT CHANGES TO NEW JERSEY ESTATE TAX LAW

On October 14, 2016, as part of sweeping legislation which increases the gas tax, increases the gross income tax exclusion and decreases the State sales tax, P.L.2016, c.57 increases New Jersey's estate tax exemption from \$675,000 to \$2,000,000 for New Jersey residents who die on or after January 1, 2017. The legislation further provides that, as of January 1, 2018, the New Jersey Estate Tax will be eliminated. Therefore, until December 31 of this year, a New Jersey estate tax may be imposed on the estates of resident decedents whose gross estate plus adjusted taxable gifts is in excess of \$675,000 and in calendar year 2017, a New Jersey estate tax may be imposed on the estates of resident decedents whose gross estate plus adjusted taxable gifts is in excess of \$2,000,000.