

# 2015 Tax Rate Guide

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## **2015 TAX RATE GUIDE**

The National Wealth Planning Strategies Group is pleased to present the 2015 version of the U.S. Trust, Bank of America Private Wealth Management Tax Rate Guide.

This edition contains various federal income and transfer tax rates for 2014 and 2015.

State tax rates are also included for your convenience.

This booklet is intended to provide you with convenient reference material regarding various federal and state tax rates.

If we can be of any assistance, please contact us.

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**National Wealth Planning Strategies Group**

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**TABLE OF CONTENTS**  
**FEDERAL 2014 AND 2015**

Income Tax Rates

- Single Individuals ..... 1
- Married Taxpayers Filing Jointly and  
Qualifying Surviving Spouses ..... 2
- Married Taxpayers Filing Separate Returns ..... 3
- Head of Household ..... 4
- Trusts and Estates ..... 5

Rights and Benefits of Same-Sex Couples ..... 6

Net Investment Income Surtax..... 7

Itemized Deductions ..... 7

Personal Exemptions and  
Phase-out of Personal Exemptions ..... 8

Standard Deduction ..... 8

Standard Mileage Rates ..... 9

Capital Gains and Qualified Dividends ..... 9

Alternative Minimum Taxable Exemption ..... 10

Social Security and Medicare Tax ..... 12

Unified Transfer Tax Rates ..... 13

Exclusions and Exemptions ..... 13

State Death Tax Deduction ..... 14

Interest and Certain Penalty Rates ..... 15

IRC Section 7520 Discount Rate ..... 16

Retirement Savings Limitations ..... 17

Contribution Limitations for IRAs ..... 17

**ALABAMA**..... 18

**ALASKA** ..... 19

**ARIZONA** ..... 19

**ARKANSAS**..... 20

CALIFORNIA .....	21
COLORADO .....	24
CONNECTICUT .....	25
DELAWARE .....	27
DISTRICT OF COLUMBIA .....	28
FLORIDA .....	29
GEORGIA.....	30
HAWAII .....	32
IDAHO .....	34
ILLINOIS .....	35
INDIANA .....	36
IOWA .....	37
KANSAS.....	38
KENTUCKY .....	39
LOUISIANA.....	40
MAINE.....	41
MARYLAND .....	42
MASSACHUSETTS.....	44
MICHIGAN .....	45
MINNESOTA .....	46
MISSISSIPPI.....	48
MISSOURI .....	49
MONTANA.....	50
NEBRASKA.....	50

NEVADA.....	53
NEW HAMPSHIRE.....	53
NEW JERSEY.....	54
NEW MEXICO .....	56
NEW YORK STATE AND CITY.....	57
NORTH CAROLINA .....	61
NORTH DAKOTA .....	62
OHIO.....	64
OKLAHOMA .....	65
OREGON .....	66
PENNSYLVANIA.....	68
RHODE ISLAND.....	69
SOUTH CAROLINA .....	70
SOUTH DAKOTA .....	70
TENNESSEE.....	71
TEXAS .....	72
UTAH .....	72
VERMONT .....	73
VIRGINIA.....	75
WASHINGTON .....	76
WEST VIRGINIA .....	77
WISCONSIN .....	78
WYOMING .....	79

**U.S. TRUST**

Bank of America Private Wealth Management

**FEDERAL  
Income Tax Rates for  
SINGLE INDIVIDUALS**

**For Tax Years  
Beginning in  
2014**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		10.0%
9,075.	907.50		15.0
36,900.	5,081.25		25.0
89,350.	18,193.75		28.0
186,350.	45,353.75		33.0
405,100.	117,541.25		35.0
406,750.	118,118.75		39.6

**For Tax Years  
Beginning in  
2015**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		10.0%
9,225.	922.50		15.0
37,450.	5,156.25		25.0
90,750.	18,481.25		28.0
189,300.	46,075.25		33.0
411,500.	119,401.25		35.0
413,200.	119,996.25		39.6



**FEDERAL  
Income Tax Rates for  
MARRIED TAXPAYERS FILING JOINTLY AND  
QUALIFYING SURVIVING SPOUSES**

**For Tax Years  
Beginning in  
2014**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		10.0%
18,150.	1,815.00		15.0
73,800.	10,162.50		25.0
148,850.	28,925.00		28.0
226,850.	50,765.00		33.0
405,100.	109,587.50		35.0
457,600.	127,962.50		39.6

**For Tax Years  
Beginning in  
2015**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		10.0%
18,450.	1,845.00		15.0
74,900.	10,312.50		25.0
151,200.	29,387.50		28.0
230,450.	51,577.50		33.0
411,500.	111,324.00		35.0
464,850.	129,996.50		39.6

**FEDERAL  
Income Tax Rates for  
MARRIED TAXPAYERS FILING  
SEPARATE RETURNS**

**For Tax Years  
Beginning in  
2014**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		10.0%
9,075.	907.50		15.0
36,900.	5,081.25		25.0
74,425.	14,462.50		28.0
113,425.	25,382.50		33.0
202,550.	54,793.75		35.0
228,800.	63,981.25		39.6

**For Tax Years  
Beginning in  
2015**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		10.0%
9,225.	922.50		15.0
37,450.	5,156.25		25.0
75,600.	14,693.75		28.0
115,225.	25,788.75		33.0
205,750.	55,662.00		35.0
232,425.	64,998.25		39.6

**FEDERAL  
Income Tax Rates for  
HEAD OF HOUSEHOLD**

**For Tax Years  
Beginning in  
2014**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		10.0%
12,950.	1,295.00		15.0
49,400.	6,762.50		25.0
127,550.	26,300.00		28.0
206,600.	48,434.00		33.0
405,100.	113,939.00		35.0
432,200.	123,424.00		39.6

**For Tax Years  
Beginning in  
2015**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		10.0%
13,150.	1,315.00		15.0
50,200.	6,872.50		25.0
129,600.	26,722.50		28.0
209,850.	49,192.50		33.0
411,500.	115,737.00		35.0
439,000.	125,362.00		39.6

**FEDERAL  
Income Tax Rates for  
TRUSTS AND ESTATES**

**For Tax Years  
Beginning in  
2014**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		15.0%
2,500.	375.00		25.0
5,800.	1,200.00		28.0
8,900.	2,068.00		33.0
12,150.	3,140.50		39.6

**For Tax Years  
Beginning in  
2015**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		15.0%
2,500.	375.00		25.0
5,900.	1,225.00		28.0
9,050.	2,107.00		33.0
12,300.	3,179.50		39.6

## Rights and Benefits of Same-Sex Couples

On June 26, 2015, the United States Supreme Court issued a decision in the *Obergefell* case that constitutionally mandated recognition of same-sex marriage in all 50 states and the District of Columbia. Laws regarding filing status, spousal deduction, etc., for state tax purposes will now apply to same-sex married couples just as they do to opposite-sex married couples. Despite the apparent clarity of the judgment, quite a number of details must be worked out by the states and the IRS for both income and transfer tax purposes, including:

- 1) the degree of retroactivity (e.g. amended returns), if any;
- 2) whether civil unions and domestic partnerships, or similar arrangements, that have been recognized by some states will continue to be recognized by those states (or other states); and
- 3) which aspects will be dealt with administratively and which might require new state laws (or repeal of existing laws).

## FEDERAL 3.8% SURTAX ON NET INVESTMENT INCOME

### Individuals

Beginning in 2014, a 3.8% surtax applies to the lesser of (1) net investment income or (2) modified adjusted gross income in excess of the following thresholds:

<b>Single</b>	\$200,000.
<b>Married</b>	\$250,000.
<b>Married Filing Separately</b>	\$125,000.

### Trust and Estates

A 3.8% surtax applies to the lesser of (1) undistributed net investment income or (2) the excess of adjusted gross income over \$12,150 (2014) or \$12,300 (2015).

## FEDERAL ITEMIZED DEDUCTIONS

The itemized deduction phase-out was reinstated in 2013 and begins to phase-out itemized deductions at the following thresholds:

	<b>2014</b>	<b>2015</b>
<b>Single</b>	\$254,200.	\$258,250.
<b>Married/Surviving Spouse</b>	305,050.	309,900.
<b>Married Filing Separately</b>	152,525.	154,950.
<b>Head of Household</b>	279,650.	284,050.

## FEDERAL PERSONAL EXEMPTIONS

2014.....\$3,950

2015.....\$4,000

Personal exemptions are phased out at a rate of 2% for each \$2,500 (\$1,250 for married filing separately), or fraction thereof, by which the taxpayer's AGI exceeds the thresholds:

	2014	2015
<b>Single</b>	\$254,200.	\$258,250.
<b>Married/Surviving Spouse</b>	305,050.	309,900.
<b>Married Filing Separately</b>	152,525.	154,950.
<b>Head of Household</b>	279,650.	284,050.

These threshold amounts are indexed for inflation.

## FEDERAL STANDARD DEDUCTION

	2014	2015
Single	\$ 6,200.	\$ 6,300.
Married/Surviving Spouse	12,400.	12,600.
Married Filing Separately	6,200.	6,300.
Head of Household	9,100.	9,250.

### Notes:

1. An additional standard deduction of \$1,250 is available in 2015 for an elderly or blind individual (married or a surviving spouse), up from \$1,200 in 2014.
2. For an unmarried individual (other than a surviving spouse) who is elderly or blind, the additional standard deduction is \$1,550 in 2015, the same as in 2014.
3. An individual who is both elderly and blind is entitled to an additional standard deduction for each, for example \$2,500, in 2015, up from \$2,400 in 2014 (if married or a surviving spouse); or \$3,100 (if unmarried) in 2015, the same as in 2014.
4. For 2015, the standard deduction for a dependent is limited to the greater of (1) \$1,050 or (2) the sum of \$350 and the individual's earned income, up from \$1,000/\$350 in 2014.

## FEDERAL Standard Mileage Rates

	2014	2015
1) Business miles driven	56.0¢	57.5¢
2) Medical/Moving expense miles	23.5	23.0
3) Charitable deduction miles	14.0	14.0

## FEDERAL Maximum Income Tax Rates for Capital Gains and Qualified Dividends

**For Tax Years  
Beginning in  
2014 and 2015**

The maximum tax rate imposed on net long-term capital gains (i.e., long-term capital gain less short-term capital loss, if any) of individuals, estates and trusts depends on the holding period, the type of asset and the federal tax bracket of the taxpayer.

Qualified dividend income is taxed at the same favorable rate as net long-term capital gains.

For the sale of capital assets, like stocks and bonds, the following are the maximum capital gain tax rates:

Federal Tax Bracket	Holding Period	Capital Gain Tax Rate
10 & 15%	more than 12 months	0%
25-35%	more than 12 months	15%
Above 35%	more than 12 months	20%

Unrecaptured Sec. 1250	—	25%
Collectibles	—	28%

For assets held 12 months or less, the capital gain is treated as short-term capital gain and taxed as ordinary income.

**Note:** Net capital gain taxed at the maximum capital gain rate (including qualified dividend income) is not considered investment income for purposes of the limitation on the deduction for investment interest, unless an election is made to tax the elected amount at the ordinary income tax rates.



## FEDERAL Alternative Minimum Taxable Exemption

### For Tax Years Beginning in 2014 and 2015

The alternative minimum tax (AMT) is a separate and parallel tax system that taxes a broader base of income with fewer deductions at a lower, flatter rate than the regular tax. The greater of the gross AMT and the regular tax is paid. AMT effectively nullifies many of the tax advantages that apply under regular tax.

	2014	2015
<b>Married Filing Jointly &amp; Widow(er)</b>		
AMT Exemption	\$82,100.	\$83,400.
AMT Phaseout Range	\$156,500.* to \$484,900.	\$158,900.* to \$492,500.
<b>Single &amp; Head of Household</b>		
AMT Exemption	\$52,800.	\$53,600.
AMT Phaseout Range	\$117,300.* to \$328,500.	\$119,200.* to \$333,600.
<b>Married Filing Separately</b>		
AMT Exemption	\$41,050.	\$41,700.
AMT Phaseout Range	\$78,250.** to \$242,450.	\$79,450.** to \$246,250.
<b>Trusts and Estates</b>		
AMT Exemption	\$23,500.	\$23,800.
AMT Phaseout Range	\$78,250.* to \$172,250.	\$79,450.* to \$174,650.

\*AMT exemption is reduced by 25 cents for each dollar of AMTI in excess of the lower number noted in the phase-out range and is completely phased out by the higher number.

\*\*MFS taxpayers lose their entire exemption when AMTI reaches \$246,250. After this point, they must increase their AMTI by 25 cents for every dollar in excess of \$246,250 of AMTI, up to an overall increase of \$41,700. This effectively equates MFS and MFJ filers.

Special Exemption for Certain Children—The AMTI exemption for a child to whom the “kiddie tax” applies is equal to the lesser of \$53,600 or the sum of the child’s earned income plus \$7,400 in 2015 (\$7,250 in 2014).

## FEDERAL Social Security and Medicare Tax

2014 and 2015

### Withholding Rate for Employees

	Year	Rate	Taxed on Wages Up to
Social Security	2014	6.20%	117,000
	2015	6.20	118,500
Medicare	2014	1.45*	Unlimited
	2015	1.45*	Unlimited

### For Self-Employed

	Year	Rate	Taxed on Wages Up to
Social Security	2014	12.40%	117,000
	2015	12.40	118,500
Medicare	2014	2.90*	Unlimited
	2015	2.90*	Unlimited

**Note:** The threshold amount for the payment of employment taxes for domestic services in the employer's home (the "nanny tax") is \$1,900 in 2015, the same as in 2014.

- \* In 2013, the Medicare tax increased by 0.9% to 2.35% for wages in excess of \$250,000 (married filing jointly) \$200,000 (single); \$125,000 (married filing separate). For self-employed taxpayers the rate increases by 0.9% to 3.8% for self-employment income in excess of those thresholds.

## FEDERAL Unified Transfer Tax Rates

**2014 and 2015**

If Taxable Transfer is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Transfer
\$ -0-	\$ -0-		18%
10,000.	1,800.00		20
20,000.	3,800.00		22
40,000.	8,200.00		24
60,000.	13,000.00		26
80,000.	18,200.00		28
100,000.	23,800.00		30
150,000.	38,800.00		32
250,000.	70,800.00		34
500,000.	155,800.00		37
750,000.	248,300.00		39
1,000,000.	345,800.00		40

## FEDERAL Exclusions and Exemptions

**2013 - 2015**

	2013	2014	2015
Annual Gift Exclusion	\$ 14,000	\$ 14,000	\$ 14,000
Estate Tax Exemption*	5,250,000	5,340,000	5,430,000
Credit Equivalent	2,045,800	2,081,800	2,117,800
Gift Tax Exemption*	5,250,000	5,340,000	5,430,000
GST Exemption	5,250,000	5,340,000	5,430,000

**\*Note:** Plus any deceased spousal unused exemption (DSUE) amount.

## FEDERAL State Death Tax Deduction

**2014 and 2015**

**Repeal of credit.** Beginning in 2005, the state death tax credit is replaced by a deduction for state death taxes paid.

Some states still use the federal credit table to figure their state estate tax. Therefore, the following table is provided solely for state estate tax purposes:

### Maximum Credit For State Death Taxes Pre-EGTRRA

If Adjusted Taxable Estate is:	CREDIT EQUALS PLUS This Amount	This Rate of Excess Adjusted Taxable Estate
\$ -0-	\$ -0-	0.0%
40,000.	-0-	0.8
90,000.	400.00	1.6
140,000.	1,200.00	2.4
240,000.	3,600.00	3.2
440,000.	10,000.00	4.0
640,000.	18,000.00	4.8
840,000.	27,600.00	5.6
1,040,000.	38,800.00	6.4
1,540,000.	70,800.00	7.2
2,040,000.	106,800.00	8.0
2,540,000.	146,800.00	8.8
3,040,000.	190,800.00	9.6
3,540,000.	238,800.00	10.4
4,040,000.	290,800.00	11.2
5,040,000.	402,800.00	12.0
6,040,000.	522,800.00	12.8
7,040,000.	650,800.00	13.6
8,040,000.	786,800.00	14.4
9,040,000.	930,800.00	15.2
10,040,000.	1,082,800.00	16.0

**Note:** The Adjusted Taxable Estate is the Taxable Estate less \$60,000.

## FEDERAL Interest and Certain Penalty Rates Noncorporate Taxpayers

The Interest Rates on Underpayment (A) and Overpayment (B) of Taxes and the Penalty for Underpayment of Estimated Tax (A) are as follows:

Period	(A)*	(B)*
April 1, 1995 – June 30, 1995	10%	9%
July 1, 1995 – March 31, 1996	9	8
April 1, 1996 – June 30, 1996	8	7
July 1, 1996 – March 31, 1998	9	8
April 1, 1998 – December 31, 1998	8	7
January 1, 1999 – March 31, 1999	7	7
April 1, 1999 – March 31, 2000	8	8
April 1, 2000 – March 31, 2001	9	9
April 1, 2001 – June 30, 2001	8	8
July 1, 2001 – December 31, 2001	7	7
January 1, 2002 – December 31, 2002	6	6
January 1, 2003 – September 30, 2003	5	5
October 1, 2003 – March 31, 2004	4	4
April 1, 2004 – June 30, 2004	5	5
July 1, 2004 – September 30, 2004	4	4
October 1, 2004 – March 31, 2005	5	5
April 1, 2005 – September 30, 2005	6	6
October 1, 2005 – June 30, 2006	7	7
July 1, 2006 – December 31, 2007	8	8
January 1, 2008 – March 31, 2008	7	7
April 1, 2008 – June 30, 2008	6	6
July 1, 2008 – September 30, 2008	5	5
October 1, 2008 – December 31, 2008	6	6
January 1, 2009 – March 31, 2009	5	5
April 1, 2009 – December 31, 2010	4	4
January 1, 2011 – March 31, 2011	3	3
April 1, 2011 – September 30, 2011	4	4
October 1, 2011 – June 30, 2015	3	3

\*All rates are compounded daily, except for Additions to Tax for Underpayment of Estimated Tax.

**FEDERAL  
IRC SECTION 7520  
Discount Rate**

<b>Month</b>	<b>Interest Rate</b>
May 2012	1.6%
June 2012	1.2
July 2012	1.2
August 2012	1.0
September 2012	1.0
October 2012	1.2
November 2012	1.0
December 2012	1.2
January 2013	1.0
February 2013	1.2
March and April 2013	1.4
May and June 2013	1.2
July 2013	1.4
August and September 2013	2.0
October 2013	2.4
November and December 2013	2.0
January 2014	2.2
February 2014	2.4
March and April 2014	2.2
May 2014	2.4
June to November 2014	2.2
December 2014	2.0
January 2015	2.2
February 2015	2.0
March 2015	1.8
April 2015	2.0
May 2015	1.8
June 2015	2.0

**Notes:**

1. The value of an annuity, interest for life or for a term of years, or remainder or reversionary interest is determined using the above rate for the month in which the value date occurs.
2. If you create a charitable split interest trust, you may use the rate for the month of creation or the two preceding months.

## FEDERAL Retirement Savings Limitations

<b>Savings Plans</b>	<b>2014</b>	<b>2015</b>
Regular 401(k), 403(b) & 457	\$ 17,500.	\$ 18,000.
Catch-up contributions (50 & older)	5,500.	6,000.
Annual benefit for defined benefit plans	210,000.	210,000.
Defined contribution plans	52,000.	53,000.
Annual compensation limits for qualified pension, profit-sharing and stock bonus plans, etc.	260,000.	265,000.
Dollar limitation for key-employee in top-heavy plans	170,000.	170,000.
Highly compensated employee for nondiscrimination rules	115,000.	120,000.
SIMPLE plan max. contributions	12,000.	12,500.
Catch-up contributions	2,500.	3,000.
ESOP limits for 5-year distribution	1,050,000.	1,070,000.
Amount used for extending 5-year	210,000.	210,000.

## FEDERAL Contribution Limitations for IRAs

<b>Types of IRAs</b>	<b>2014</b>	<b>2015</b>
Traditional IRAs & Roth IRAs	\$5,500.	\$5,500.
Catch-up contribution (50 & older)	1,000.	1,000.



## ALABAMA

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, HEAD OF HOUSEHOLD, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.00%
500.	10.00		4.00
3,000.	110.00		5.00

#### MARRIED TAXPAYERS FILING JOINTLY

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.00%
1,000.	20.00		4.00
6,000.	220.00		5.00

#### ESTATE AND GIFT TAX 2014 and 2015

The Alabama estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Alabama estate tax. Alabama does not have a gift tax.

## ALASKA

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

Alaska currently does not impose a personal income tax.

#### ESTATE AND GIFT TAX 2014 and 2015

The Alaska estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Alaska estate tax. Alaska does not have a gift tax.

## ARIZONA

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.59%
10,000.	259.00		2.88
25,000.	691.00		3.36
50,000.	1,531.00		4.24
150,000.	5,771.00		4.54

## MARRIED TAXPAYERS, HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.59%
20,000.	518.00		2.88
50,000.	1,382.00		3.36
100,000.	3,062.00		4.24
300,000.	11,542.00		4.54

## ESTATE AND GIFT TAX 2014 and 2015

The Arizona estate tax was permanently repealed on May 8, 2006, effective for decedents dying after December 31, 2005. Arizona does not have a gift tax.

## ARKANSAS

### Income Tax Rates for 2015

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		0.9%
4,300.	39.00		2.5
8,400.	141.00		3.5
12,600.	288.00		4.5
21,000.	666.00		6.0
35,100.	1,512.00		7.0

## ESTATE AND GIFT TAX 2014 and 2015

The Arkansas estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Arkansas estate tax. Arkansas does not have a gift tax.

### CALIFORNIA

#### Income Tax Rates for 2014

#### SINGLE, MARRIED/RDP\* TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.0%
7,749.	39.00		2.0
18,371.	141.00		4.0
28,995.	288.00		6.0
40,250.	666.00		8.0
50,869.	1,512.00		9.3
259,844.	21,674.39		10.3
311,812.	27,027.09		11.3
519,687.	50,516.97		12.3**

\*RDP – Registered Domestic Partners

\*\*Taxable income in excess of \$1 million subject to additional 1% mental health services tax.

## MARRIED/RDP\* TAXPAYERS FILING JOINTLY AND QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		1.0%
7,749.	39.00		2.0
18,371.	141.00		4.0
28,995.	288.00		6.0
40,250.	666.00		8.0
50,869.	1,512.00		9.3
259,844.	21,674.39		10.3
311,812.	27,027.09		11.3
519,687.	50,516.97		12.3**

\*RDP – Registered Domestic Partners

\*\*Taxable income in excess of \$1 million subject to additional 1% mental health services tax.

## HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		1.0%
7,749.	39.00		2.0
18,371.	141.00		4.0
28,995.	288.00		6.0
40,250.	666.00		8.0
50,869.	1,512.00		9.3
259,844.	21,674.39		10.3
311,812.	27,027.09		11.3
519,687.	50,516.97		12.3**

\*\*Taxable income in excess of \$1 million subject to additional 1% mental health services tax.

## STANDARD DEDUCTION

Single and Married/RDP Filing Separately	\$3,992.
Married/RDP Filing Jointly, Qualifying Surviving Spouse and Head of Household	7,984.
Dependents' minimum standard deduction	1,000.

## REDUCTION IN ITEMIZED DEDUCTIONS

Itemized deductions must be reduced by the lesser of 6% of the excess of the taxpayer's federal AGI over the threshold amount or 80% of the amount of itemized deductions otherwise allowed for the taxable year. The threshold amounts are:

Single or Married/RDP Filing Separately	\$176,413.
Head of Household	264,263.
Married/RDP Filing Jointly and Qualifying Surviving Spouse	352,830.

## EXEMPTION CREDIT

Single, Married Filing Separately and Head of Household	\$108.*
Married Filing Jointly and Qualifying Surviving Spouses	216.*
Dependents	333.

\*An individual who is elderly and/or blind is entitled to additional exemption of \$108.

This credit is reduced by \$12 for each \$2,500 or fraction thereof, by which a taxpayer filing jointly or as qualifying surviving spouse's AGI exceeds the threshold amount (\$6 for each \$2,500 or fraction thereof for a single taxpayer or a head of household and \$6 for each \$1,250 or fraction thereof for married filing separately). The threshold amounts are:

Single or Married/RDP Filing Separately	\$176,413.
Head of Household	264,623.

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Married/RDP Filing Jointly and Qualifying Surviving Spouse	352,830.
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### **ESTATE AND GIFT TAX 2014 and 2015**

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The California estate tax is designed to absorb the state death tax credit allowed under the federal estate tax. Due to the repeal of the federal state death tax credit, there is no California estate tax. California does not have a gift tax.

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## **COLORADO**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS**

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Colorado imposes tax on taxable income at a rate of 4.63%. Gross income generally includes compensation, dividends and interest, net gains from the disposition of assets and net gains from rents and royalties.

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#### **TRUSTS AND ESTATES**

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Colorado trusts and estates are taxed on their modified federal taxable income. Tax is imposed at the rate of 4.63%.

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### **ESTATE AND GIFT TAX 2014 and 2015**

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The Colorado estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Colorado estate tax. Colorado does not have a gift tax.

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# CONNECTICUT

## Income Tax Rates for 2014

### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.00%
10,000.	300.00		5.00
50,000.	2,300.00		5.50
100,000.	5,050.00		6.00
200,000.	11,050.00		6.50
250,000.	14,300.00		6.70

### HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.00%
16,000.	480.00		5.00
80,000.	3,680.00		5.50
160,000.	8,080.00		6.00
320,000.	17,680.00		6.50
400,000.	22,880.00		6.70



## MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.00%
20,000.	600.00		5.00
100,000.	4,600.00		5.50
200,000.	10,100.00		6.00
400,000.	22,100.00		6.50
500,000.	28,600.00		6.70

**Note:** If you expect to owe federal alternative minimum tax for the 2014 taxable year, you may also owe Connecticut alternative minimum tax. See instructions for Form CT-6251. Higher income taxpayers are subject to a phase-out of lower tax brackets and in some cases subject to a “flat tax rate.” The phase-out is achieved by eliminating the 3% bracket and also achieved by a “recapture” provision that phases out the benefit of the 5% - 6.5% brackets. Different phase-out ranges apply to single taxpayers, heads of households and those married but filing separately.

### TRUSTS AND ESTATES

Tax on Connecticut taxable income (federal taxable income modified by Connecticut fiduciary adjustment without allowance for a personal exemption).	6.7%
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### ESTATE AND GIFT TAX 2014 and 2015

**Note:** Connecticut has a stand-alone unified estate and gift tax with a \$2MM exemption at tax rates and brackets indicated below. Connecticut requires that any Connecticut QTIP election be consistent with any federal QTIP election. A separate Connecticut QTIP election may be made only if no election was made for federal estate tax purposes. A Connecticut estate (and gift) tax marital deduction is allowed for same-sex married couples. Same-sex married couples are allowed to split gifts in the same manner as allowed under federal rules for spouses.

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$2,000,000	\$ -0-		7.2%
3,600,000	115,200.00		7.8
4,100,000	154,200.00		8.4
5,100,000	238,200.00		9.0
6,100,000	328,200.00		9.6
7,100,000	424,200.00		10.2
8,100,000	526,200.00		10.8
9,100,000	634,200.00		11.4
10,100,000	748,200.00		12.0

**Note:** Connecticut is the only state that imposes a gift tax. That gift tax is imposed on gifts of Connecticut property. A credit is allowed on the estate tax return for gift taxes paid during life.

## DELAWARE

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ 2,000.	\$ -0-		2.20%
5,000.	66.00		3.90
10,000.	261.00		4.80
20,000.	741.00		5.20
25,000.	1,001.00		5.55
60,000.	2,943.50		6.60

## ESTATE AND GIFT TAX 2014 and 2015

The Delaware estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law in effect on January 1, 2001. The exclusion amount tracks the federal amount (\$5,340,000 for 2014, \$5,430,000 for 2015). The federal deduction for state death taxes is ignored in computing Delaware estate tax. Delaware does not have a gift tax. Although there is some concern about applicability to deaths before July 1, 2013 (and after December 31, 2010), Delaware does recognize the federal portability election.

### DISTRICT OF COLUMBIA

#### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		4.00%
10,000.	400.		6.00
40,000.	2,200.		8.50
350,000.	28,550.		8.95

#### STANDARD DEDUCTION

	2014
Married Filing Jointly or Qualifying Widow(er)	4,150.
Married/Domestic Partner Filing Separately	2,075.
Single/Head of Household	4,150.

#### PERSONAL EXEMPTION CREDIT

2014	\$1,725
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## **ESTATE AND GIFT TAX 2014 and 2015**

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The District of Columbia estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law in effect prior to the enactment of EGTRRA. The District of Columbia applicable exclusion amount is \$1,000,000. The District of Columbia does not have a gift tax. On June 24, 2014, changes to the estate tax were approved that include possible increase of the exclusion amount to \$2,000,000 in 2016 and up to the federal exclusion amount in 2018, but only if certain revenue targets are met.

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## **FLORIDA**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Florida currently does not impose a personal income tax.

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### **INTANGIBLE TAX**

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The former Florida tax on intangibles has been repealed effective January 1, 2007.

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## **ESTATE AND GIFT TAX 2014 and 2015**

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The Florida estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Florida estate tax. Florida does not have a gift tax.

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# GEORGIA

## Income Tax Rates for 2014

### SINGLE INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.0%
750.	7.50		2.0
2,250.	37.50		3.0
3,750.	82.50		4.0
5,250.	142.50		5.0
7,000.	230.00		6.0

### MARRIED TAXPAYERS FILING JOINTLY HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.0%
1,000.	10.00		2.0
3,000.	50.00		3.0
5,000.	110.00		4.0
7,000.	190.00		5.0
10,000.	340.00		6.0

**MARRIED TAXPAYERS FILING  
SEPARATE RETURNS**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.0%
500.	5.00		2.0
1,500.	25.00		3.0
2,500.	55.00		4.0
3,500.	95.00		5.0
5,000.	170.00		6.0

**ESTATE AND GIFT TAX  
2014 and 2015**

The Georgia estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Georgia estate tax. Georgia does not have a gift tax.

# HAWAII

## Income Tax Rates for 2014

### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.40%
2,400.	34.00		3.20
4,800.	110.00		5.50
9,600.	374.00		6.40
14,400.	682.00		6.80
19,200.	1,008.00		7.20
24,000.	1,354.00		7.60
36,000.	2,266.00		7.90
48,000.	3,214.00		8.25
150,000.	11,629.00		9.00
175,000.	13,879.00		10.00
200,000.	16,379.00		11.00

### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.40%
4,800.	67.00		3.20
9,600.	221.00		5.50
19,200.	749.00		6.40
28,800.	1,363.00		6.80
38,400.	2,016.00		7.20
48,000.	2,707.00		7.60

72,000.	4,531.00	7.90
96,000.	6,427.00	8.25
300,000.	23,257.00	9.00
350,000.	27,757.00	10.00
400,000.	32,757.00	11.00

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### HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.40%
3,600.	50.00		3.20
7,200.	166.00		5.50
14,400.	562.00		6.40
21,600.	1,022.00		6.80
28,800.	1,512.00		7.20
36,000.	2,030.00		7.60
54,000.	3,398.00		7.90
72,000.	4,820.00		8.25
225,000.	17,443.00		9.00
262,500.	20,818.00		10.00
300,000.	24,568.00		11.00

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### TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.40%
2,000.	28.00		3.20
4,000.	92.00		5.50
8,000.	312.00		6.40
12,000.	568.00		6.80
16,000.	840.00		7.20



20,000.	1,128.00	7.60
30,000.	1,888.00	7.90
40,000.	2,678.00	8.25

### ESTATE AND GIFT TAX 2014 and 2015

Hawaii enacted an estate tax (effective May 1, 2010). Beginning with deaths on or after January 26, 2012, the Hawaii exemption conforms to the federal exemption (\$5,340,000 for 2014 and \$5,430,000 for 2015). Same-sex married and civil union couples subject to the Hawaii estate tax may take a marital deduction. Hawaii does not have a gift tax. Hawaii does recognize portability for decedents who died after January 25, 2012. Apparently a Hawaii portability election must be filed in addition to any federal election.

## IDAHO

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		1.6%
1,429.	22.86		3.6
2,858.	74.30		4.1
4,287.	132.89		5.1
5,716.	205.77		6.1
7,145.	292.94		7.1
10,718.	546.59		7.4

**MARRIED TAXPAYERS FILING JOINTLY  
QUALIFYING SURVIVING SPOUSES  
HEAD OF HOUSEHOLD**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.6%
2,858.	45.72		3.6
5,716.	148.60		4.1
8,574.	265.78		5.1
11,432.	411.54		6.1
14,290.	585.88		7.1
21,436.	1,093.18		7.4

**ESTATE AND GIFT TAX  
2014 and 2015**

The Idaho estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Idaho estate tax. Idaho does not have a gift tax.

**ILLINOIS**

**Income Tax Rates for 2014  
INDIVIDUALS**

Illinois imposes tax on net income at a flat rate of 5.0% for 2014. Net income generally is based on the federal income tax code.

**TRUSTS AND ESTATES**

Trusts and estates are taxable on undistributed income that is not presently owed to any beneficiary. Tax is imposed at the rate of 5% in 2014. Trusts also pay a 1.5% Personal Property Tax Replacement Tax (replacement tax). Estates do not pay replacement tax.

## **ESTATE AND GIFT TAX 2014 and 2015**

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The Illinois estate tax is based on the federal state death tax credit table with a threshold exemption of \$4,000,000 for 2013 and after. A separate state QTIP election is allowed up to the amount of the difference between the federal exemption and the Illinois exemption (\$1,340,000 for 2013 and \$1,430,000 for 2014). For individuals who are parties to a civil union or same-sex marriage, an Illinois marital deduction (including QTIPs) is allowable. Illinois does not have a gift tax.

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### **INDIANA**

#### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Indiana imposes tax on taxable income at a flat rate of 3.4%, regardless of filing status.

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## **ESTATE INHERITANCE AND GIFT TAX 2014 and 2015**

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The Indiana estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Indiana estate tax. Indiana repealed its separate inheritance tax on May 11, 2013, retroactive to January 1, 2013. Indiana does not have a gift tax.

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## IOWA

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		0.36%
1,515.	5.45		0.72
3,030.	16.36		2.43
6,060.	89.99		4.50
13,635.	430.87		6.12
22,725.	987.18		6.48
30,300.	1,478.04		6.80
45,450.	2,508.24		7.92
68,175.	4,308.06		8.98

#### ESTATE INHERITANCE AND GIFT TAX 2014 and 2015

The Iowa estate tax is designed to absorb the credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Iowa estate tax.

Although Iowa currently has no estate tax, it does have a separate inheritance tax. If the net estate of the decedent is less than \$25,000, the inheritance tax is zero. There is a full exemption for transfers to spouse (including a legally married spouse of a same sex marriage), father, mother, grandparent, great-grandparents, children, stepchildren, grandchildren, great-grandchildren, and other lineal ascendants and lineal descendants. The inheritance tax rates range from 5% to 10% for transfers to a brother, sister (including half-brother, half-sister), son-in-law and daughter-in-law. The rates for transfers to more remote relatives and all others range from 10% to 15%. Gifts made within 3 years of death also may be subject to inheritance tax. Iowa does not have a gift tax.

## KANSAS

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS HEAD OF HOUSEHOLD TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.7%
15,000.	405.00		4.8

#### MARRIED TAXPAYERS FILING JOINTLY

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.7%
30,000.	810.00		4.8

#### ESTATE AND GIFT TAX 2014 and 2015

There currently is no Kansas estate tax. The former Kansas estate tax was repealed for decedents dying on or after January 1, 2010. Kansas does not have a gift tax.

## KENTUCKY

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.00%
3,000.	60.00.		3.00
4,000.	90.00.		4.00
5,000.	130.00.		5.00
8,000.	280.00.		5.80
75,000.	4,166.00.		6.00

#### ESTATE INHERITANCE AND GIFT TAX 2014 and 2015

The Kentucky estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Kentucky estate tax.

Kentucky does have a separate inheritance tax. Close relatives are exempt from the inheritance tax. A state QTIP election is allowed. The inheritance tax rates for more remote relatives and unrelated parties range from 4% to 16%. Gifts made within 3 years of death also may be subject to inheritance tax. Kentucky does not have a gift tax.

## LOUISIANA

### Income Tax Rates for 2014

#### **SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS HEAD OF HOUSEHOLD**

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Louisiana tax rate is applied in a graduated scale using the taxpayer's filing status and the taxpayer's Louisiana taxable income.

The graduated income tax rate is:

- 2% on the first \$12,500 of Louisiana taxable income.
  - 4% on the next \$37,500 of Louisiana taxable income.
  - 6% on Louisiana taxable income in excess of \$50,000.
- 

#### **MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES**

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Louisiana tax rate is applied in a graduated scale using the taxpayer's filing status and the taxpayer's Louisiana taxable income.

The graduated income tax rate is:

- 2% on the first \$25,000 of Louisiana taxable income.
  - 4% on the next \$75,000 of Louisiana taxable income.
  - 6% on Louisiana taxable income in excess of \$100,000.
- 

#### **TRUSTS AND ESTATES**

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The graduated income tax rate on net income is:

- 2% on the first \$10,000 of Louisiana taxable income.
  - 4% on the next \$40,000 of Louisiana taxable income.
  - 6% on Louisiana taxable income in excess of \$50,000.
- 

#### **ESTATE AND GIFT TAX 2014 and 2015**

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The Louisiana estate tax is designed to absorb the credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Louisiana estate tax. Louisiana does not have a gift tax.

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# MAINE

## Income Tax Rates for 2014

### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ 5,200.	\$ -0-		6.50%
20,900.	1,021.00		7.95

### MARRIED TAXPAYERS FILING JOINTLY AND SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$10,450.	\$ -0-		6.50%
41,850.	2,041.00		7.95

### HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ 7,850.	\$ -0-		6.50%
31,350.	1,528.00		7.95



## ESTATE AND GIFT TAX 2014 and 2015

The Maine estate tax has been frozen at the pre-EGTRRA federal state death tax credit, with a threshold exemption amount of \$2,000,000. Estates are subject to tax rates of 0% up to \$2MM; 8% on amounts above \$2MM but up to \$5MM; 10% on amounts above \$5MM but up to \$8MM; and 12% for the excess over \$8MM.

Maine allows a separate state QTIP election in an amount up to the difference between the federal exemption and the state exemption (\$3,340,000 for 2014 and \$3,430,000 for 2015). The federal deduction for state death taxes is ignored in computing Maine estate tax.

Notes: Maine also subjects to estate tax, Maine property transferred to a trust, LLC or other pass-through entity when a nonresident dies, and includes gifts within one year of death in the taxable base. Maine does not have a gift tax.

## MARYLAND

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.00%
1,000.	20.00		3.00
2,000.	50.00		4.00
3,000.	90.00		4.75
100,000.	4,697.50		5.00
125,000.	5,947.50		5.25
150,000.	7,260.00		5.50
250,000.	12,760.00		5.75

**Note:** Local or special nonresident income tax—Maryland counties and Baltimore City levy an income tax on residents that is a percentage of taxable net income. Nonresidents are subject to a special nonresident tax instead of the local income tax.

**MARRIED TAXPAYERS FILING JOINTLY  
QUALIFYING SURVIVING SPOUSES  
HEAD OF HOUSEHOLD**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.00%
1,000.	20.00		3.00
2,000.	50.00		4.00
3,000.	90.00		4.75
150,000.	7,072.50		5.00
175,000.	8,322.50		5.25
225,000.	10,947.50		5.50
300,000.	15,072.50		5.75

**Note:** Local or special nonresident income tax—Maryland counties and Baltimore City levy an income tax on residents that is a percentage of taxable net income. Nonresidents are subject to a special nonresident tax instead of the local income tax.

## **ESTATE INHERITANCE AND GIFT TAX 2014 and 2015**

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The Maryland estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law in effect prior to the enactment of EGTRRA, with a threshold exemption amount of \$1,000,000 for 2014 and \$1,500,000 for 2015 (with subsequent annual increases until it equals the federal exemption in 2019). The federal deduction for state death taxes is ignored for purposes of computing the Maryland estate tax. Maryland allows a separate state QTIP election. Maryland does not have a gift tax.

Maryland also has a separate inheritance tax. Property passing to a child or other lineal descendant, spouse of a child or other lineal descendant, spouse (including a legally married spouse of a same sex marriage), parent, grandparent, stepchild or stepparent, siblings or a corporation having only certain of these persons as stockholders is exempt from this inheritance tax. Property passing to all other individuals is taxed at 10%.

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### **MASSACHUSETTS**

#### **Income Tax Rates for 2014**

##### **INDIVIDUALS TRUSTS AND ESTATES**

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Massachusetts imposes a tax at a flat rate of 5.20% on most ordinary income and long-term capital gains. The income taxable at this rate includes wages, taxable pensions and annuities, Massachusetts bank interest, business/professional or farm income, rent and royalty income, and dividends.

The taxpayer has the option to voluntarily elect to pay tax at a rate of 5.85% on taxable income, which would otherwise be taxed at a rate of 5.20%.

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Massachusetts also imposes a flat 12.0% rate on short-term capital gains and long-term capital gains on the sale of collectibles.

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**Note:** Effective for tax years beginning on or after January 1, 2005, estate and trust income includable in the federal gross income of a beneficiary by reason of IRC §652 or §662 is no longer taxable at the estate or trust level; rather, it is to be taken into account in calculating the beneficiary's Massachusetts taxable income.

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### **ESTATE AND GIFT TAX 2014 and 2015**

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The Massachusetts estate tax has been frozen at the federal state death tax credit in effect on December 31, 2000, with a threshold exemption amount of \$1,000,000. A separate state QTIP election is allowed. A Massachusetts marital deduction is allowable for property passing to a surviving same-sex married spouse. Massachusetts does not have a gift tax.

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## **MICHIGAN**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Michigan imposes a tax of 4.25% on taxable income.

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### **ESTATE AND GIFT TAX 2014 and 2015**

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The Michigan estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Michigan estate tax. Michigan does not have a gift tax.

# MINNESOTA

## Income Tax Rates for 2014

### SINGLE INDIVIDUALS

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		5.35%
24,680.	1,320.38		7.05
81,080.	5,296.58		7.85
152,540.	10,906.19		9.85

### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		5.35%
36,080.	1,930.28		7.05
143,350.	9,492.82		7.85
254,240.	18,197.69		9.85

### MARRIED TAXPAYERS FILING SEPARATE RETURNS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		5.35%
18,040.	965.14		7.05
71,680.	4,746.76		7.85
127,120.	9,098.08		9.85

## HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		5.35%
30,390.	1,625.87		7.05
122,110.	8,092.13		7.85
203,390.	14,472.61		9.85

## ESTATE AND GIFT TAX 2014 and 2015

The Minnesota estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law prior to the enactment of EGTRRA, with a threshold exemption amount of \$1,200,000 for 2014, \$1,400,000 for 2015 and increasing by \$200,000 each year until it reaches \$2,000,000 for decedents dying in 2018 and thereafter. A separate state only QTIP election is allowed. Also, effective for decedents dying on or after January 1, 2012, gifts made within 3 years of death will be includible in the taxable estate. Also, as of May 23, 2013, Minnesota real or tangible personal property held in an LLC, partnership or S Corporation will be included in the Minnesota estate of non-resident decedents dying on or after January 1, 2012. An estate tax deduction of up to \$4 million is available for certain qualified small business or farm property. This maximum deduction of \$4 million will decrease by \$200,000 per year for the next five years in a manner that essentially offsets the \$200,000 annual increase in the basic exemption amount over that same 5 year period. Minnesota does not have a gift tax.

## MISSISSIPPI

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

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Mississippi has a graduated tax rate. These rates are the same for individuals and businesses.

The graduated income tax rate is:\*

3% on the first \$5,000 of taxable income.

4% on the next \$5,000 of taxable income.

5% on all taxable income over \$10,000.

\*If filing a combined return (both spouses work), each spouse can calculate their tax liability separately and add the results.

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#### ESTATE AND GIFT TAX 2014 and 2015

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The Mississippi estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Mississippi estate tax. Mississippi does not have a gift tax.

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# MISSOURI

## Income Tax Rates for 2014

### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.5%
1,000.	15.00		2.0
2,000.	35.00		2.5
3,000.	60.00		3.0
4,000.	90.00		3.5
5,000.	125.00		4.0
6,000.	165.00		4.5
7,000.	210.00		5.0
8,000.	260.00		5.5
9,000.	315.00		6.0

**Note:** The tax for spouses must be computed separately.

### ESTATE AND GIFT TAX 2014 and 2015

The Missouri estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Missouri estate tax. Missouri does not have a gift tax.



## MONTANA

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.00%
2,800.	28.00		2.00
5,000.	78.00		3.00
7,600.	154.00		4.00
10,300.	257.00		5.00
13,300.	390.00		6.00
17,100.	544.00		7.00

#### ESTATE AND GIFT TAX 2014 and 2015

The Montana estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Montana estate tax. Montana does not have a gift tax.

## NEBRASKA

### Income Tax Rates for 2014

#### SINGLE TAXPAYERS, MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.46%
3,000.	73.80		3.51
18,000.	600.30		5.01
29,000.	1,151.40		6.84

**MARRIED TAXPAYERS FILING JOINTLY  
QUALIFYING SURVIVING SPOUSES**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.46%
6,000.	147.60		3.51
36,000.	1,200.60		5.01
58,000.	2,302.80		6.84

**HEAD OF HOUSEHOLD**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.46%
5,600.	137.76		3.51
28,800.	952.08		5.01
43,000.	1,663.50		6.84

**TRUSTS AND ESTATES**

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		2.46%
500.	12.30		3.51
4,700.	159.72		5.01
15,150.	683.27		6.84

**Note:** An additional tax is imposed on taxpayers with federal adjusted gross income above \$254,200 for single taxpayers, \$305,050 for married taxpayers and surviving spouses, \$152,525 for married filing separately and \$379,650 for head of households.

## ESTATE INHERITANCE AND GIFT TAX 2014 and 2015

Nebraska does not have an estate tax, but there is an inheritance tax in Nebraska that is collected by each county.

**Exemptions:** There is a full exemption for transfers to spouse, father, mother, grandparent, child, adopted child, stepchild or domestic partner. Also, transfers to the State of Nebraska and certain charities are totally exempt. There are several other exemptions and deductions. Nebraska does not have a gift tax.

### Transfers to immediate relatives:

If Value of Transfer is:	This Amount	PLUS	This Rate of Excess Value
\$ -	\$ -0-		0%
40,000.	-0-		1.0

### Transfers to remote relatives:

If Value of Transfer is:	This Amount	PLUS	This Rate of Excess Value
\$ -	\$ -0-		0%
15,000.	-0-		13.0

### All other transfers:

If Value of Transfer is:	This Amount	PLUS	This Rate of Excess Value
\$ -	\$ -0-		0%
10,000.	-0-		18.0

## **NEVADA**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Nevada currently does not impose a personal income tax.

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#### **ESTATE AND GIFT TAX 2014 and 2015**

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The Nevada estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Nevada estate tax. Nevada does not have a gift tax.

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## **NEW HAMPSHIRE**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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New Hampshire imposes a 5% tax on interest and dividend income only.

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#### **ESTATE AND GIFT TAX 2014 and 2015**

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The New Hampshire estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no New Hampshire estate tax. New Hampshire does not have a gift tax.

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## NEW JERSEY

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.400%
20,000.	280.00		1.750
35,000.	542.50		3.500
40,000.	717.50		5.525
75,000.	2,651.25		6.370
500,000.	29,723.75		8.970

#### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES, HEAD OF HOUSEHOLD, CIVIL UNIONS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.400%
20,000.	280.00		1.750
50,000.	805.00		2.450
70,000.	1,295.00		3.500
80,000.	1,645.00		5.525
150,000.	5,512.50		6.370
500,000.	27,807.50		8.970

## INHERITANCE TAX 2014 and 2015

**Exemptions:** There is a full exemption for transfers to spouse (including a legally married spouse of a same sex marriage), father, mother, grandparent, child, adopted child, stepchild, domestic partner and issue of any child or adopted child. Also, transfers to the State of New Jersey for public or charitable purposes, to an educational institution, church, hospital, public library and certain other nonprofit agencies are totally exempt.

### Transfers to brother, sister, son-in-law and daughter-in-law:

If Value of Transfer is:	This Amount	PLUS	This Rate of Excess Value
\$ -0-	\$ -0-		0.0%
25,000.	-0-		11.0
1,100,000.	118,250.00		13.0
1,400,000.	157,250.00		14.0
1,700,000.	199,250.00		16.0

### All other transfers—Less than \$500 is exempt. If \$500 or more:

If Value of Transfer is:	This Amount	PLUS	This Rate of Excess Value
\$ -0-	\$ -0-		15.0%
700,000.	105,000.00		16.0

## ESTATE AND GIFT TAX 2014 and 2015

An estate tax is assessed to absorb the excess of the state death tax credit allowed under the federal estate tax law prior to the enactment of EGTRRA over the state inheritance tax. The New Jersey applicable exclusion amount is \$675,000. New Jersey requires that any NJ QTIP election be consistent with any federal QTIP election. Surviving same-sex spouses and civil union partners are generally treated the same as surviving spouses (i.e. QTIP trusts created by a pre-deceased partner are includible in the estate and a separate state marital QTIP election is allowed). State only QTIP elections are allowed in limited circumstances. New Jersey does not have a gift tax.

## NEW MEXICO

### Income Tax Rates for 2014

#### SINGLE INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.7%
5,500.	93.50		3.2
11,000.	269.50		4.7
16,000.	504.50		4.9

#### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING WIDOW(ER) HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.7%
8,000.	136.00		3.2
16,000.	392.00		4.7
24,000.	768.00		4.9

#### MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.7%
4,000.	68.00		3.2
8,000.	196.00		4.7
12,000.	384.00		4.9

## ESTATE AND GIFT TAX 2014 and 2015

The New Mexico estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no New Mexico estate tax. New Mexico does not have a gift tax.

### NEW YORK STATE

#### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		4.00%
8,300.	332.00		4.50
11,450.	474.00		5.25
13,550.	584.00		5.90
20,850.	1,015.00		6.45
78,400.	4,727.00		6.65
209,250.	13,428.00		6.85

**Note:** Same-sex married couples must file New York personal income tax returns as married (e.g., married filing jointly, married filing separately).

**Note:** A supplemental tax is imposed to recapture the tax table benefit for high-income taxpayers (single, married taxpayers filing separate returns, trusts and estates, married taxpayers filing jointly, and qualifying surviving spouses and head of household). Married taxpayers with AGI above \$2,092,800 (\$1,569,550 for head of household, or \$1,046,350 for single persons) are effectively taxed at a flat rate of 8.82% on taxable income.



## MARRIED TAXPAYERS FILING JOINTLY AND QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		4.00%
16,700.	668.00		4.50
22,950.	949.00		5.25
27,150.	1,170.00		5.90
41,800.	2,034.00		6.45
156,900.	9,458.00		6.65
313,850.	19,895.00		6.85

**Note:** Same-sex married couples must file New York personal income tax returns as married (e.g., married filing jointly, married filing separately).

## HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		4.00%
12,550.	502.00		4.50
17,200.	711.00		5.25
20,350.	877.00		5.90
31,350.	1,526.00		6.45
104,600.	6,250.00		6.65
261,550.	16,687.00		6.85

**NEW YORK CITY  
Income Tax Rates for 2014  
SINGLE, MARRIED TAXPAYERS FILING  
SEPARATE RETURNS, TRUSTS AND ESTATES**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.907%
12,000.	349.00		3.534
25,000.	808.00		3.591
50,000.	1,706.00		3.648
500,000.	18,122.00		3.876

**MARRIED TAXPAYERS FILING JOINTLY  
AND QUALIFYING SURVIVING SPOUSES**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.907%
21,600.	628.00		3.534
45,000.	1,455.00		3.591
90,000.	3,071.00		3.648
500,000.	18,028.00		3.876

**HEAD OF HOUSEHOLD**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.907%
14,400.	419.00		3.534
30,000.	970.00		3.591
60,000.	2,047.00		3.648
500,000.	18,098.00		3.876

**NEW YORK STATE  
2014 PERSONAL EXEMPTION**

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\$1,000

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**Note:** A \$1,000 exemption will be allowed only for each dependent of the taxpayer. A personal exemption is not allowed for the taxpayer and spouse.

**STANDARD DEDUCTION**

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Single	\$ 7,800.
Married Filing Jointly/Surviving Spouse	15,650.
Married Filing Separately	7,800.
Head of Household	10,950.

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**NEW YORK STATE AND CITY  
INTEREST AND CERTAIN PENALTY RATES**

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The Interest Rates on Underpayment of Taxes and the Penalty for Underpayment of Estimated Tax are as follows:

<b>Period</b>	<b>Rate</b>
January 1, 1999 – March 31, 1999	6.0%
April 1, 1999 – March 31, 2000	7.0
April 1, 2000 – March 31, 2001	8.0
April 1, 2001 – June 30, 2001	7.0
July 1, 2001 – December 31, 2001	6.0
January 1, 2002 – March 31, 2005	6.0
April 1, 2005 – September 30, 2005	7.0
October 1, 2005 – June 30, 2006	8.0
July 1, 2006 – December 31, 2007	9.0
January 1, 2008 – March 31, 2008	8.0
April 1, 2008 – June 30, 2008	7.0
July 1, 2008 – September 30, 2008	6.0
October 1, 2008 – December 31, 2008	7.0
January 1, 2009 – April 6, 2009	6.0
April 7, 2009 – September 30, 2015	7.5

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## **NEW YORK STATE ESTATE AND GIFT TAX 2014 and 2015**

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Through March 31, 2014, the New York estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law prior to the enactment of EGTRRA. The New York exemption was \$1,000,000. New York modified its estate tax in 2014 and now has its own rate schedule and an increasing exemption that will result in parity with the federal exemption by 2019. From April 1, 2014 to March 31, 2015, the exemption was \$2,062,500, increased to \$3,125,000 for April 1, 2015 to March 31, 2016, but subject to a phase out for estates exceeding those amounts (i.e. estates more than 105% of the then current exemption will not be entitled to any of that exemption). The taxable estate also includes certain lifetime gifts made from April 1, 2014 through December 31, 2018, and within three years of death. The New York taxable estate of an individual in a marriage with a same-sex spouse is computed in the same manner as if the deceased individual were married for federal estate tax purposes. New York allows a separate state QTIP election when no federal return is required to be filed. New York does not have a gift tax.

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## **NORTH CAROLINA**

### **Income Tax Rates for 2014**

#### **SINGLE INDIVIDUALS TRUSTS AND ESTATES**

North Carolina imposes a tax of 5.8% on taxable income. Before January 1, 2014, there were three individual tax brackets of 6%, 7% & 7.75% varying by income levels and filing status.

## **ESTATE AND GIFT TAX 2014 and 2015**

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North Carolina repealed its estate tax retroactively to January 1, 2013. North Carolina does not have a gift tax.

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# NORTH DAKOTA

## Income Tax Rates for 2014

### SINGLE TAXPAYERS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.22%
36,900.	450.18		2.27
89,350.	1,640.80		2.52
186,350.	4,085.20		2.93
405,100.	10,494.58		3.22

### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.22%
61,700.	752.74		2.27
148,850.	2,731.05		2.52
226,850.	4,696.65		2.93
405,100.	9,919.38		3.22

### MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.22%
30,850.	376.37		2.27
74,425.	1,365.52		2.52
113,425.	2,348.32		2.93
202,550.	4,959.68		3.22

## HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.22%
49,400.	602.68		2.27
127,550.	2,376.69		2.52
206,600.	4,368.75		2.93
405,100.	10,184.80		3.22

## TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		1.10%
2,500	27.50		2.04
5,900.	96.86		2.27
9,050.	168.37		2.64
12,300.	254.17		2.90

## ESTATE AND GIFT TAX 2014 and 2015

The North Dakota estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no North Dakota estate tax. North Dakota does not have a gift tax.

# OHIO

## Income Tax Rates for 2014

### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		0.528%
5,200.	27.46		1.057
10,400.	82.42		2.113
15,650.	193.35		2.642
20,900.	332.06		3.169
41,700.	991.21		3.698
83,350.	2,531.43		4.226
104,250.	3,414.66		4.906
208,500.	8,529.17		5.333

### ESTATE AND GIFT TAX 2014 and 2015

On June 30, 2011, the governor signed legislation repealing the estate tax effective January 1, 2013. Ohio does not have a gift tax.

# OKLAHOMA

## Income Tax Rates for 2014

### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		0.5%
1,000.	5.00		1.0
2,500.	20.00		2.0
3,750.	45.00		3.0
4,900.	79.50		4.0
7,200.	171.50		5.0
8,700.	246.50		5.25

### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING SURVIVING SPOUSES HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		0.5%
2,000.	10.00		1.0
5,000.	40.00		2.0
7,500.	90.00		3.0
9,800.	159.00		4.0
12,200.	255.00		5.0
15,000.	395.00		5.25



## ESTATE TAX AND GIFT TAX 2014 and 2015

The Oklahoma estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is currently no Oklahoma estate tax. A former Oklahoma estate tax was repealed for decedents dying on or after January 1, 2010. Oklahoma does not have a gift tax.

### OREGON

#### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING SEPARATE RETURNS, TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		5.0%
3,300.	165.00.		7.0
8,250.	512.00.		9.0
125,000.	11,019.00.		9.9

#### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING WIDOW(ER) HEAD OF HOUSEHOLD

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		5.0%
6,600.	330.00.		7.0
16,500.	1,024.00.		9.0
250,000.	22,038.00.		9.9

## STANDARD DEDUCTION

Single	\$2,115.
Married/RDP Filing Jointly or Qualifying Widow(er)	4,230.
Married/RDP Filing Separately	2,115.
Head of Household	3,405.

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## ESTATE AND GIFT TAX 2014 and 2015

Effective January 1, 2012, Oregon adopted a stand-alone estate tax with tax rates and brackets indicated below. The Oregon taxable estate is based on the federal taxable estate with adjustments. Oregon treats registered domestic partners the same as husbands and wives under federal law. Oregon does not have a gift tax.

If Aggregate Taxable Amount is not more than:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Amount
\$ 1,000,000	\$ -0-		10.00%
1,500,000	50,000.		10.25
2,500,000	152,500.		10.50
3,500,000	257,500.		11.00
4,500,000	367,500.		11.50
5,500,000	482,500.		12.00
6,500,000	602,500.		13.00
7,500,000	732,500.		14.00
8,500,000	872,500.		15.00
9,500,000	1,022,500.		16.00

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## **PENNSYLVANIA**

**2014**

### **INDIVIDUALS**

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Pennsylvania imposes tax on gross income at a flat rate of 3.07%. Gross income generally includes compensation, net profits, net gains from the sale of property, rent, royalties, patents or copyrights, income from estates or trusts, dividends, interest and winnings.

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### **TRUSTS AND ESTATES**

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Trusts and estates are taxable on undistributed income that is not presently owing to any beneficiary. Tax is imposed at the rate of 3.07%.

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### **ESTATE INHERITANCE AND GIFT TAX 2014 and 2015**

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An estate tax is assessed to absorb the excess of the state death tax credit allowed under the federal estate tax law over the state inheritance tax. Due to the repeal of the federal state death tax credit, there is no Pennsylvania estate tax. Pennsylvania does have a separate inheritance tax. Property passing to or for the use of a surviving spouse and from a child twenty-one or younger to the child's parents is exempt from tax. Pennsylvania allows a separate state QTIP election. An inheritance tax is imposed at 4.5% upon the transfer to parents, grandparents, lineal descendants, sons- and daughters-in-law; 12% upon the transfer to siblings; and 15% to all others (except charitable, exempt and governmental entities exempt from income tax, which are not subject to the Pennsylvania inheritance tax). Pennsylvania does not have a gift tax.

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## RHODE ISLAND

### Income Tax Rates for 2014

#### ALL FILING TYPES, EXCEPT TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.75%
59,600.	2,235.50		4.75
135,500.	5,840.25		5.99

#### TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.75%
2,400.	90.00		4.75
7,600.	337.00		5.99

#### ESTATE AND GIFT TAX 2014 and 2015

The Rhode Island estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law prior to the enactment of EGTRRA. The Rhode Island applicable exclusion amount for 2014 was \$961,655. Recent legislation has made several changes applicable to deaths on or after January 1, 2015: 1) the statute contains its own tax rate table (similar, but not identical to the §2013 federal state death tax credit table); 2) an estate will be entitled to a tax credit of \$64,400 (equivalent to an applicable exclusion amount of \$1,500,000), which will be indexed for inflation starting in 2016. In addition, the \$64,400 tax credit will shelter the first \$1,500,000 of every estate (unlike most other states where the exemption/exclusion amount effectively “disappears” for larger estates). A separate state QTIP election is allowed. Rhode Island does not have a gift tax.

## **SOUTH CAROLINA**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ 2,880.	\$ -0-		3.0%
5,760.	86.40		4.0
8,640.	201.60		5.0
11,520.	345.60		6.0
14,400.	518.40		7.0

#### **ESTATE AND GIFT TAX 2014 and 2015**

The South Carolina estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no South Carolina estate tax. South Carolina does not have a gift tax.

## **SOUTH DAKOTA**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

South Dakota currently does not impose a personal income tax.

#### **ESTATE AND GIFT TAX 2014 and 2015**

The South Dakota estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no South Dakota estate tax. South Dakota does not have a gift tax.

## TENNESSEE

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

Tennessee imposes tax on interest from bonds and notes and dividends from stock at a flat rate of 6.0%.

#### INHERITANCE TAX

Tennessee currently assesses a state inheritance tax. Property passing to a surviving spouse is exempt from tax (Tennessee allows a separate state QTIP election for marital deduction purposes). Tennessee inheritance tax is due on estates passing to all other beneficiaries which exceed the maximum exemption amount of \$2,000,000 in 2014 (\$5,000,000 in 2015). Decedent's net taxable estate in excess of the exemption amount is taxed at the following rates:

If Value of Net Estate is:	This Amount	PLUS	This Rate of Excess Value
\$ -0-	\$ -0-		5.5%
40,000.	2,200.00		6.5
240,000.	15,200.00		7.5
440,000.	30,200.00		9.5

The Tennessee inheritance tax is repealed as of January 1, 2016.

#### ESTATE AND GIFT TAX 2014 and 2015

An estate tax is assessed to absorb the excess of the state death tax credit allowed under the federal estate tax law over the state inheritance tax. Due to the repeal of the federal state death tax credit, there is no Tennessee estate tax. Tennessee repealed its gift tax retroactive to January 1, 2012.

## **TEXAS**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Texas currently does not impose a personal income tax.

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#### **ESTATE AND GIFT TAX 2014 and 2015**

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The Texas estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Texas estate tax. Texas does not have a gift tax.

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## **UTAH**

### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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Utah imposes tax on net income at a flat rate of 5.0%. Net income is generally based on the federal income tax code.

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#### **ESTATE AND GIFT TAX 2014 and 2015**

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The Utah estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Utah estate tax. Utah does not have a gift tax.

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# VERMONT

## Income Tax Rates for 2014

### SINGLE INDIVIDUALS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.55%
36,900.	1,310.00		6.80
89,350.	4,877.00		7.80
186,350.	12,443.00		8.80
405,100.	31,693.00		8.95

### MARRIED TAXPAYERS FILING JOINTLY QUALIFYING WIDOW(ER) OR CIVIL UNION FILING JOINTLY

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.55%
61,600.	2,187.00		6.80
148,850.	8,120.00		7.80
226,850.	14,204.00		8.80
405,100.	29,890.00		8.95



**MARRIED TAXPAYERS FILING  
SEPARATE RETURNS  
CIVIL UNION FILING SEPARATELY**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.55%
30,800.	1,093.00		6.80
74,425.	4,060.00		7.80
113,425.	7,102.00		8.80
202,550.	14,945.00		8.95

**HEAD OF HOUSEHOLD**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.55%
49,400.	1,754.00		6.80
127,550.	7,068.00		7.80
206,600.	13,324.00		8.80
405,100.	30,702.00		8.95

**TRUSTS AND ESTATES**

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		3.55%
2,500.	89.00		6.80
5,900.	320.00		7.80
9,050.	566.00		8.80
12,300.	852.00		8.95

## ESTATE AND GIFT TAX 2014 and 2015

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The Vermont estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law in effect on January 1, 2001. The Vermont applicable exclusion amount is \$2,750,000. Vermont does not allow a separate state QTIP election. Vermont does not have a gift tax.

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### VIRGINIA

#### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		2.00%
3,000.	60.00		3.00
5,000.	120.00		5.00
17,000.	720.00		5.75

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## ESTATE AND GIFT TAX 2014 and 2015

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The Virginia estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Virginia estate tax. Virginia does not have a gift tax.

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## WASHINGTON

### Income Tax Rates for 2014

#### INDIVIDUALS TRUSTS AND ESTATES

Washington does not impose a personal income tax.

#### ESTATE AND GIFT TAX 2014 and 2015

Washington has a separate estate tax. The applicable exclusion amount is \$2,012,000 in 2014 and \$2,054,000 in 2015 (NOTE: the filing threshold is a flat \$2,000,000 for both 2014 and 2015). Washington allows a separate state QTIP election. The tax rates are as follows:

If Taxable Estate is:	This Amount	PLUS	This Rate of Excess Value
\$ -0-	\$ -0-		10.0%
1,000,000.	100,000.		14.0
2,000,000.	240,000.		15.0
3,000,000.	390,000.		16.0
4,000,000.	550,000.		18.0
6,000,000.	910,000.		19.0
7,000,000.	1,100,000.		19.5
9,000,000.	1,490,000.		20.0

**Note:** Washington does not have a gift tax.

## WEST VIRGINIA

### Income Tax Rates for 2014

#### SINGLE, MARRIED TAXPAYERS FILING JOINTLY HEAD OF HOUSEHOLD QUALIFYING SURVIVING SPOUSES TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.0%
10,000.	300.00		4.0
25,000.	900.00		4.5
40,000.	1,575.00		6.0
60,000.	2,775.00		6.5

#### MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		
	This Amount	PLUS	This Rate of Excess Taxable Income
\$ -	\$ -0-		3.0%
5,000.	150.00		4.0
12,500.	450.00		4.5
20,000.	787.50		6.0
30,000.	1,387.50		6.5

#### ESTATE AND GIFT TAX 2014 and 2015

The West Virginia estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no West Virginia estate tax. West Virginia does not have a gift tax.

# WISCONSIN

## Income Tax Rates for 2014

### SINGLE, HEAD OF HOUSEHOLD TRUSTS AND ESTATES

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		4.00%
10,910.	436.40		5.84
21,820.	1,073.54		6.27
240,190.	14,765.34		7.65

### MARRIED TAXPAYERS FILING JOINTLY

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		4.00%
14,540.	581.60		5.84
29,090.	1,431.32		6.27
320,250.	19,687.05		7.65

### MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is:	TAX EQUALS		This Rate of Excess Taxable Income
	This Amount	PLUS	
\$ -	\$ -0-		4.00%
7,270.	290.80		5.84
14,540.	715.37		6.27
160,130.	9,843.86		7.65

## **ESTATE AND GIFT TAX 2014 and 2015**

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The Wisconsin estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Wisconsin estate tax. Wisconsin does not have a gift tax.

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### **WYOMING**

#### **Income Tax Rates for 2014**

#### **INDIVIDUALS TRUSTS AND ESTATES**

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The state of Wyoming does not levy a personal income tax. Wyoming does not impose a tax on intangible assets such as bank accounts, stocks, or bonds, either. In addition, Wyoming does not assess any tax on retirement income earned and received from another state. Further, there is no legislative plan to implement any of these types of taxes.

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## **ESTATE AND GIFT TAX 2014 and 2015**

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The Wyoming estate tax is designed to absorb the state death tax credit allowed under the federal estate tax law. Due to the repeal of the federal state death tax credit, there is no Wyoming estate tax. Wyoming does not have a gift tax.

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