



## GOMEZ ESTATE TAX BILL WILL AFFECT VERY FEW ESTATES – STATE BY STATE ESTIMATES

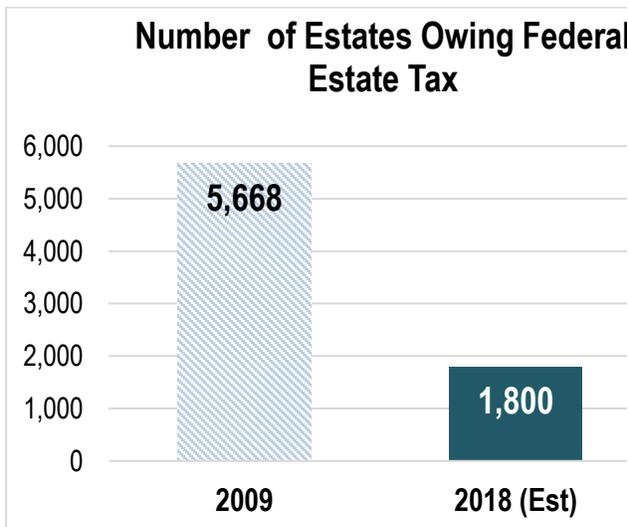
For years, conservatives have opposed the federal estate tax leaving the false impression that most families would be subject to the estate tax and that many small businesses and family farms would suffer terribly—perhaps even be forced out of business.

These were outright falsehoods perpetrated on the public to shield the richest from paying their fair share on the substantial wealth they were accumulating. A strong estate tax is an important tool to provide a check on the growing concentration of wealth and create an economy that works for all of us.

The Gomez bill, the **For the 99.8% Act**, will do the following:

- **Restore the level that estates are exempt from paying taxes to the 2009 amounts.** In 2009, estates worth \$3.5 million for an individual and \$7 million per couple were **exempt** from paying any federal estate tax. The Tax Cuts and Jobs Act (TCJA) raised the exemption levels to \$11.2 million and \$22.4 million—three times higher than in 2009.
- **Restore the lowest estate tax rate to 45%**, which was in effect in 2009, up from the current 40% under the TCJA.
- **Create more progressive rates as estates grow in size.** Estates valued between \$10 to \$50 million will be taxed at 50%; between \$50 million to \$1 billion at 55%; and over \$1 billion at 77%—the top estate tax rate [from 1941 to 1976](#) on estates valued at \$50 million-plus.<sup>1</sup>

The chart and table below and on the next page compare the number of estates that paid federal estate taxes in 2009 with the new number estimated for 2018. In both cases, just 0.23% or fewer estates paid any tax—about 2 out of 1,000. **The 2009 estimates are roughly what could be expected under Rep. Gomez’s For the 99.8% Act.**



	2009	2018	Percent Change
<b>NUMBER of Estates Owning Federal Estate Tax</b>	5,668	1,800	-68%
<b>PERCENT of Estates Owning Federal Estate Tax</b>	0.23%	0.06%	-74%

Source: Institute on Taxation and Economic Policy<sup>2</sup>

**NUMBER & PERCENT OF ESTATES OWING FEDERAL ESTATE TAXES 2009 & 2018**

	<b>NUMBER of Estates Owing Federal Estate Tax in 2009</b>	<b>NUMBER of Estates Owing Federal Estate Tax in 2018</b>	<b>PERCENT of Estates Owing Federal Estate Tax in 2009</b>	<b>PERCENT of Estates Owing Federal Estate Tax in 2018</b>
<b>United States</b>	<b>5,668</b>	<b>1,800</b>	<b>0.23</b>	<b>0.06</b>
Alabama	37	18	0.08	0.03
Alaska	*	2	*	0.04
Arizona	45	25	0.10	0.04
Arkansas	16	6	0.06	0.02
California	1,049	344	0.45	0.13
Colorado	136	29	0.43	0.07
Connecticut	121	36	0.42	0.12
Delaware	10	5	0.13	0.05
District of Columbia	26	9	0.56	0.18
Florida	719	214	0.41	0.1
Georgia	122	34	0.17	0.04
Hawaii	36	9	0.37	0.08
Idaho	12	4	0.10	0.03
Illinois	181	74	0.18	0.07
Indiana	33	18	0.06	0.03
Iowa	22	11	0.08	0.04
Kansas	41	14	0.17	0.05
Kentucky	57	15	0.14	0.03
Louisiana	54	17	0.13	0.04
Maine	11	5	0.09	0.04
Maryland	91	27	0.21	0.05
Massachusetts	108	39	0.21	0.07
Michigan	138	39	0.16	0.04
Minnesota	79	25	0.20	0.06
Mississippi	19	10	0.07	0.03
Missouri	89	29	0.16	0.05
Montana	31	7	0.35	0.07
Nebraska	78	17	0.51	0.1
Nevada	41	14	0.21	0.05
New Hampshire	35	11	0.34	0.08
New Jersey	193	53	0.28	0.07

	NUMBER of Estates Owing Federal Estate Tax in 2009	NUMBER of Estates Owing Federal Estate Tax in 2018	PERCENT of Estates Owing Federal Estate Tax in 2009	PERCENT of Estates Owing Federal Estate Tax in 2018
New Mexico	17	7	0.11	0.04
New York	605	166	0.41	0.11
North Carolina	93	35	0.12	0.04
North Dakota	*	4	*	0.06
Ohio	132	44	0.12	0.04
Oklahoma	82	21	0.22	0.05
Oregon	81	20	0.25	0.05
Pennsylvania	149	52	0.12	0.04
Rhode Island	15	8	0.16	0.08
South Carolina	80	19	0.19	0.04
South Dakota	40	12	0.56	0.15
Tennessee	39	17	0.07	0.02
Texas	371	122	0.22	0.06
Utah	18	7	0.12	0.04
Vermont	10	3	0.19	0.06
Virginia	126	45	0.21	0.07
Washington	83	27	0.17	0.05
West Virginia	8	3	0.04	0.01
Wisconsin	47	18	0.1	0.03
Wyoming	14	4	0.32	0.08
Source: ITEP, "The Federal Estate Tax: An Important Progressive Revenue Source," Dec. 6, 2018 <a href="https://itep.org/the-federal-estate-tax-an-important-progressive-revenue-source/">https://itep.org/the-federal-estate-tax-an-important-progressive-revenue-source/</a>				

## Endnotes

<sup>1</sup> Joint Committee on Taxation, "History, Present Law, and Analysis of the Federal Wealth Transfer Tax System" (March 18, 2015), p. 6. <https://www.jct.gov/publications.html?func=startdown&id=4744>

<sup>2</sup> Institute on Taxation and Economic Policy (ITEP), "The Federal Estate Tax: An Important Progressive Revenue Source," December 6, 2018 <https://itep.org/the-federal-estate-tax-an-important-progressive-revenue-source/>