

Where Should You Live to Escape the Estate Tax?

**By Matthew Crider, JD
Family Wealth Protection Attorney**

Do you live in a state that has a friendly attitude toward the estate tax or inheritance tax? You may think you do, but according to this article in Forbes some states made changes to their estate or inheritance tax policies in 2010 as a response to the lengthy uncertainty over the federal estate tax: “Congress took so long to agree on what to do about the federal estate tax, allowing it to lapse in 2010, and many states take their lead from the federal system.”

The federal estate tax is set (for now) but you may still expect some states to continue making changes to their own estate tax. The fact is that state governments are caught between a rock and a hard place; “The changing state landscape... reflects a lot of ambivalence by state officials themselves. They want the estate tax revenue, but worry about chasing wealthy seniors across state borders.”

If you’re looking for an estate-tax-friendly state to which to retire you can check out the link to the map in the Forbes article; but before you move be sure to do your research. Just because a state has no estate tax (or a high exemption amount) one year doesn’t mean it won’t change the next. The best strategy is to be familiar with the state’s history. How long has their estate tax been in place? Has there been any legislation proposed recently regarding the tax? How likely is it that their tax policies will remain the same as they are when you move?

Illinois recently made changes to the state laws regarding estate tax, and other states that are most likely to make changes in the future include Hawaii, Ohio, Connecticut and Vermont. “But don’t count on these efforts... even if you get relief one year, the levy can go up again the next.”

As always, the best strategy is to plan ahead, review your plan often, and have a knowledgeable estate planning attorney on your side.

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About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

