

A Comparison of the Pennsylvania and New Jersey Inheritance and Estate Tax Laws

TAX RATE CHART

	NJ Inheritance Tax	PA Inheritance Tax	NJ Estate Tax ^	PA Estate Tax ^
Transfer to Spouse	0%	0%	0%	N/A
Transfer to Children	0%	4.5%	0% up to \$675K 4.8-37% after	N/A
Transfer to Siblings	\$25K at 0% 11%-16% after	12%	0% up to \$675K 4.8-37% after*	N/A
Transfer to Parent (Decedent under Age 22)	0%	0%	0% up to \$675K 4.8 - 37% after	N/A
Other Transfer to Parents	0%	4.5%	0% up to \$675K 4.8 - 37% after	N/A
Transfer to Son-in-law or Daughter-in-law	\$25K at 0% 11%-16% after	4.5% (unless person is remarried)	0% up to \$675K 4.8 - 37% after*	N/A
Transfer to Civil Union Partner	0%	15%	0%	N/A
Transfer to Domestic Partner	0%	15%	0%	N/A
Transfer to Charity	0%	0%	0%	N/A
Transfers to Everyone else	15-16%	15%	0% up to \$675K 4.8-37% after*	NA

* New Jersey will only collect the NJ Inheritance Tax if it is greater than the NJ Estate Tax.

^ Many states may revise their tax laws depending upon how the federal government act with respect to the federal estate tax.

Circular 230 Disclaimer: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s) addressed herein.

(c) 2010 - 2011

Law Office of Kevin A. Pollock LLC
112 W. Franklin Avenue
Pennington, NJ 08534

Phone: (609) 818-1555
Fax: (609) 818-1556
www.pollockatlaw.com

A Comparison of the Pennsylvania and New Jersey Inheritance and Estate Tax Laws

Assets That Are Subject to Tax

	NJ Inheritance Tax	PA Inheritance Tax	NJ Estate Tax ^	PA Estate Tax ^
Life Insurance (if paid directly to beneficiary)	No	No	Yes	N/A
Real Estate and Business Interests Outside of State	No	No	Yes (partial inclusion)	N/A
Real Estate and Business Interests Inside State	Yes	Yes	Yes	N/A
Retirement Assets (IRAs, 401(k)s, 403(b)s, Annuities, etc.)	Yes	Generally NO if under Age 59.5. Generally YES if over Age 59.5	Yes	N/A
Retirement Assets payable by USA	No	No	Yes	N/A
Joint property held with rights of survivorship	Yes (except to extent recipient paid for asset)	Yes (but only 50%)	Yes (except to extent recipient paid for asset)	N/A
All other Assets	Yes	Yes	Yes	N/A
Exemption Amount	\$25K for siblings \$500 for others	\$3000 for certain cases	\$675,000	N/A
Transfers Made During Life	Presumption it is taxable if made within 3 years of death	Taxable if made within one year of death	Generally not	N/A

^ Many states may revise their tax laws depending upon how the federal government act with respect to the federal estate tax.

Circular 230 Disclaimer: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s) addressed herein.

(c) 2010 - 2011

Law Office of Kevin A. Pollock LLC
112 W. Franklin Avenue
Pennington, NJ 08534

Phone: (609) 818-1555
Fax: (609) 818-1556
www.pollockatlaw.com