

# Massachusetts Estate Tax

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Massachusetts levies an estate tax on estates worth more than \$1 million. The progressive estate tax rates top out at 16%. Estate planning can take a lot of work and a lot of knowledge. If you're living in the Bay State and are looking for information about the Massachusetts estate tax, this guide has all the information you'll need. If you need help navigating the estate tax or any other financial planning issues, you may want to enlist the help of a financial advisor. SmartAsset's [financial advisor matching tool](#) can pair you with advisors in your area.

## Massachusetts Estate Tax Exemption

The Massachusetts [estate tax](#) exemption is \$1 million. This means that if your estate is worth more than \$1 million when you die, money will be owed to the state before it's disbursed to your heirs.

Unlike many other estate taxes, the Massachusetts estate tax applies to the entire estate, not just the amount above the exemption. This means if your estate is worth \$1.5 million, the tax applies to all \$1.5 million, not just the \$500,000 above the exemption.

The exemption is not portable between spouses. When the second of two spouses dies, the exemption is still only \$1 million.

## Massachusetts Estate Tax Rate



The estate tax rate for Massachusetts is graduated. The table below lists all of the rates. To figure out how much your estate will need to pay in estate taxes, first find your taxable estate bracket in the chart below. In the second column, you'll see the base taxes owed on wealth that falls below your bracket. The third column shows your marginal rate. Multiply that rate by any wealth held above the rate threshold listed in the fourth column. Finally, add that number to the base taxes to get your total Massachusetts estate tax burden.

Here's an example: Let's say your total estate is worth \$6.2 million. The estate tax applies to the entire value of the estate. Next, find where that number falls on the chart. The base tax for the bracket is \$522,800. The bottom of the threshold is \$6.040 million, so we subtract that from \$6.2 million and get \$160,000. That amount multiplied by the marginal rate of 12.8% is \$20,480. When we add that number (\$20,480) to the base taxes (\$522,800), we get a total Massachusetts estate tax of \$543,280 owed on a \$6.2 million estate.

Note: The chart below shows no taxes owed on the first \$40,000 of taxable income because of a system of tax credits from the state.

**MASSACHUSETTS ESTATE TAX RATES**

<b>Taxable Estate</b>	<b>Base Taxes Paid</b>	<b>Marginal Rate</b>	<b>Rate Threshold*</b>
\$1 – \$40,000	\$0	0%	\$0
\$40,000 – \$90,000	\$0	0.8%	\$40,000
\$90,000 – \$140,000	\$400	1.6%	\$90,000
\$140,000 – \$240,000	\$1,200	2.4%	\$140,000
\$240,000 – \$440,000	\$3,600	3.2%	\$240,000
\$440,000 – \$640,000	\$10,000	4.0%	\$440,000
\$640,000 – \$840,000	\$18,000	4.8%	\$640,000
\$840,000 – \$1.04 million	\$27,600	5.6%	\$840,000
\$1.04 million – \$1.54 million	\$38,800	6.4%	\$1.04 million
\$1.54 million – \$2.04 million	\$70,800	7.2%	\$1.54 million
\$2.04 million – \$2.54 million	\$106,800	8.0%	\$2.04 million
\$2.54 million – \$3.04 million	\$146,800	8.8%	\$2.54 million
\$3.04 million – \$3.54 million	\$190,800	9.6%	\$3.04 million
\$3.54 million – \$4.04 million	\$238,800	10.4%	\$3.54 million
\$4.04 million – \$5.04 million	\$290,800	11.2%	\$4.04 million
\$5.04 million – \$6.04 million	\$402,800	12.0%	\$5.04 million
\$6.04 million – \$7.04 million	\$522,800	12.8%	\$6.04 million
\$7.04 million – \$8.04 million	\$650,800	13.6%	\$7.04 million
\$8.04 million – \$9.04 million	\$786,800	14.4%	\$8.04 million
\$9.04 million – \$10.04 million	\$903,800	15.2%	\$9.04 million
\$10.04 million and up	\$1,082,800	16.0%	\$10.04 million

\*The rate threshold is the point at which the marginal estate tax rate goes into effect.

## What Is the Estate Tax?

The estate tax is levied against certain estates after a person has died but before the money has been passed on to their heirs. It only applies to estates that have reached a certain threshold of wealth, which varies based on which state government is levying the tax. There is also a federal estate tax.

The estate tax is different from the [inheritance tax](#), which is paid by the deceased person's heirs after they receive their inheritance.

## Massachusetts Inheritance Tax

[Massachusetts does not have an inheritance tax](#). If you're inheriting money from someone who lived out of state, though, check the local laws. In Kentucky, all in-state property is subject to the inheritance tax, regardless of where the heir lives.

Massachusetts also does not have a gift tax. The federal gift tax kicks in at \$14,000 for 2017 and \$15,000 for 2018.

## Massachusetts Estate Tax for Married Couples

The Massachusetts estate tax is not portable between couples. When both spouses die, only one exemption is applied to the estate.

## Federal Estate Tax

The federal estate tax has a much higher exemption level than the Massachusetts' estate tax. The estate tax exemption has risen to \$11.18 million for 2018. Unlike the Massachusetts estate tax exemption, the federal exemption is portable between spouses. This means that with the right legal steps, a married couple can protect up to \$22.36 million upon the death of both spouses.

If an estate exceeds that amount, the top tax rate is 40%. A full chart of federal estate tax rates is below. By following the same method described in the Massachusetts Estate Tax section, you can use the table below to figure out your federal estate tax burden.

Note that for this tax, only the amount above the exemption is taxed. To find your burden, make sure you subtract the exemption total from the total estate to find your taxable estate.

## FEDERAL ESTATE TAX RATES

Taxable Estate*	Base Taxes Paid	Marginal Rate	Rate Threshold**
\$1 – \$10,000	\$0	18%	\$1
\$10,000 – \$20,000	\$1,800	20%	\$10,000
\$20,000 – \$40,000	\$3,800	22%	\$20,000
\$40,000 – \$60,000	\$8,200	24%	\$40,000
\$60,000 – \$80,000	\$13,000	26%	\$60,000
\$80,000 – \$100,000	\$18,200	28%	\$80,000
\$100,000 – \$150,000	\$23,800	30%	\$100,000
\$150,000 – \$250,000	\$38,800	32%	\$150,000
\$250,000 – \$500,000	\$70,800	34%	\$250,000
\$500,000 – \$750,000	\$155,800	37%	\$500,000
\$750,000 – \$1 million	\$248,300	39%	\$750,000
Over \$1 million	\$345,800	40%	\$1 million

\*The taxable estate is the total above the exemption of \$11.18 million.

\*\*The rate threshold is the point at which the marginal estate tax rate goes into effect.

## Overall Massachusetts Tax Picture