

Inheritance tax by state: which states charge it, and how much

Key facts

- Only five states charge an inheritance tax on the people who inherit: Kentucky, Maryland, Nebraska, New Jersey and Pennsylvania (Tax Foundation, Estate and Inheritance Taxes by State, checked 2026-09-20).
- The federal government has no inheritance tax at all. It only has an estate tax, and that applies only to estates above \$15,000,000 for deaths in 2026 (Internal Revenue Service, Estate tax, checked 2026-09-17).
- All five inheritance-tax states fully exempt a surviving spouse, no matter how much that spouse inherits (Tax Foundation, checked 2026-09-20).
- Rates and exemptions are set by your relationship to the person who died, not by how large the whole estate is (Kentucky Department of Revenue; New Jersey Division of Taxation, checked 2026-09-20).
- Twelve states plus the District of Columbia charge a separate estate tax, paid out of the estate itself before anyone inherits (Tax Foundation, checked 2026-09-20).
- Iowa fully repealed its inheritance tax for deaths on or after January 1, 2025 (Nolo, Iowa Inheritance Tax, checked 2026-09-20).
- Maryland is the only state that charges both an estate tax and an inheritance tax on the same estate (Tax Foundation, checked 2026-09-20).

A step-by-step checklist for figuring out what an estate may owe

Work through this in order for any estate that might touch Kentucky, Maryland, Nebraska, New Jersey or Pennsylvania.

- ☐ Confirm the deceased person's state of domicile at death.
- ☐ Check whether that state is one of the five inheritance-tax states, or one of the twelve estate-tax states, or neither.
- ☐ List every beneficiary and their exact relationship to the deceased person.
- ☐ Sort each beneficiary into that state's relationship class.
- ☐ Get a fair-market-value figure for what each beneficiary will receive, as of the date of death.
- ☐ Subtract that class's exemption from each beneficiary's share.
- ☐ Apply the class rate or bracket to calculate the tax for each beneficiary.
- ☐ Check whether real estate in a different state adds a separate filing obligation.
- ☐ Note the filing deadline and any early-payment discount.
- ☐ File the return, pay the tax, and request any waiver needed to transfer accounts or property.

