

**ESTATE AND GIFT TRANSFER TAX EXCLUSION,  
CREDITS, AND EXEMPTION AMOUNTS  
1998-2011 TRANSFERS**

Year	Estate Tax Applicable Exclusion Amounts*	Applicable Credit Amounts**	Gift Tax Lifetime Exemption	Starting Tax Rate on Estate (or Gift) above Exclusion Amount
1998	625,000	202,050	675,000*	37%
1999	650,000	211,300	675,000*	37%
2000	675,000	220,550	675,000+	37%
2001	675,000	220,550	675,000+	37%
2002	1,000,000	345,800	1,000,000	41%
2003	1,000,000	345,800	1,000,000	41%
2004	1,500,000	555,800	1,000,000	45%
2005	1,500,000	555,800	1,000,000	45%
2006	2,000,000	780,800	1,000,000	46%
2007	2,000,000	780,800	1,000,000	45%
2008	2,000,000	780,800	1,000,000	45%
2009	3,500,000	1,455,800	1,000,000	45%
2010	***	***	1,000,000	35%
2011	1,000,000	345,800	1,000,000	41%

\* The unified credit is reduced by 20% of the prior law's lifetime \$30,000 specific gift tax exemption used in the calculation of taxable gifts made after September 8, 1976 and before 1977 [IRC 2010(b)].

\*\* The "applicable exclusion amount" is the taxable amount that would produce each year's credit amount shown above if that taxable amount were subject to tax computed on the unified transfer tax rate table [see IRC 2010(c)].

\*\*\*The estate tax is temporarily repealed in 2010.

+ Combined with estate tax.

**SPECIAL ESTATE REDUCTION LIMITS**

**Special Use Valuation** — Maximum reduction is \$1,000,000 in 2009 and 2010. Amount is adjusted for inflation annually [IRC 2032A].

**Qualified Family Owned Business Interest (QFOBI)** — Maximum deduction is \$675,000. Amount of deduction coordinates with the unified credit. The sum of the QFOBI deduction and the applicable exclusion amount cannot exceed \$1.3 million. The QFOBI deduction was eliminated after 12/31/03 [IRC 2057].

**Qualified Conservation Easement** — Maximum exclusion is \$500,000 [IRC 2031(c)].

**INFLATION ADJUSTED NUMBERS**

(Rev. Proc. 2008-66 for 2009; Rev. Proc. 2009-50 for 2010)

Description	2009	2010
Annual Exclusion Gifts [IRC 2503(b)(2)]	13,000	13,000
Non-Citizen Spouse Annual Exclusion [IRC 2523(i)(2)]	133,000	134,000
Reportable Gifts Received from Foreign Corporations or Foreign Partnerships [IRC 6039F]*	14,139	14,165
Reportable Gifts Received from Foreign Individuals or Foreign Estates [IRC 6039F]*	100,000	100,000
Decrease in Value of Qualified Real Property in Decedent's Gross Estate [IRC 2032A(a)]	1,000,000	1,000,000
Estate Tax Installment Payment Interest 2% Portion [IRC 6166]	1,330,000	1,340,000

NOTE—The first two items go up in \$1,000 increments and the last two in \$10,000 increments. The third item goes up in actual dollar amount increments.

\* See guidance contained in Notice 97-34

**GST TAX EXEMPTION  
1998-2011 TRANSFERS**

Year	GST Exemption	Flat Tax Rate
1998	1,000,000	55%
1999	1,010,000	55%
2000	1,030,000	55%
2001	1,060,000	55%
2002	1,100,000	50%
2003	1,120,000	49%
2004	1,500,000	48%
2005	1,500,000	47%
2006	2,000,000	46%
2007	2,000,000	45%
2008	2,000,000	45%
2009	3,500,000	45%
2010	*	0%
2011	1,100,000**	55%

\* The GST tax is temporarily repealed in 2010.

\*\* Plus inflation adjustment.