

Department of Revenue

Revenue Notice # 10-02: Estate Tax – Filing Requirements – Estates of Decedents Dying in 2010

Introduction

In 2001, Congress passed the Economic Growth and Tax Relief Reconciliation Act or EGTRRA. EGTRRA eliminated the dollar-for-dollar credit against the federal estate tax for state death taxes. EGTRRA made a number of additional changes to the federal estate tax including that the federal estate tax chapter does not apply, for purposes of determining a federal estate tax liability, to estates of decedents dying in 2010.

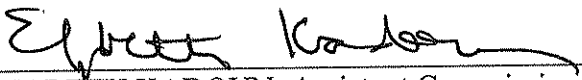
At the time EGTRRA was enacted, Minnesota had in place a pure pickup tax linked to the pre-EGTRRA federal law. The Minnesota legislature did not adopt EGTRRA with regard to the estate tax, thus creating a stand-alone Minnesota estate tax in the first special session of 2001. The 2002 Minnesota legislature amended the filing requirements for the stand-alone Minnesota estate tax, explicitly requiring estates to file a Minnesota estate tax return and pay any consequent tax when the value of the gross estate exceeded the pre-EGTRRA federal filing thresholds.

Pursuant to *Minnesota Statutes*, section 289A.10, subdivision 1, an estate of a decedent who has an interest in property with a situs in Minnesota and dies after December 31, 2005 is required to file a Minnesota estate tax return and pay any consequent tax when the estate has a federal filing requirement or when the value of the gross estate exceeds \$1,000,000.

Department Position

Regardless of the federal filing requirement, if any, an estate of a decedent who has an interest in property with a situs in Minnesota and dies during 2010 is required to file a Minnesota estate tax return and pay any consequent tax when the value of the gross estate exceeds \$1,000,000.

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