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Estate Taxes

Unfortunately, state and federal estate taxes apply to both probate and non-probate assets. Both types of assets are included in the taxable estate.

In Ohio, taxes are calculated by first adding the assets owned at death to any assets transferred in contemplation of death (within 3 years prior to death). Next, the assets left to the spouse and the deceased's final expenses and charitable gifts are deducted. Then, the following table is applied:

<u>Net Taxable Estate</u>	<u>Tax Rate</u>
Over \$338,333 but not over \$500,000	\$13,900 + 6% of excess over \$338,333
Over \$500,000	\$23,600 + 7% of excess over \$500,000

Federal estate taxes work similarly with three major exceptions. First, the federal tax credit (called the Unified Credit) is much larger and effectively permits the first \$3,500,000 of taxable assets to pass tax free. Second, the tax rates are much higher, currently ranging from 45% to 48%. This means that larger estates can pay a very substantial federal estate tax.

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For a FREE copy of Mark Reckman's Estate and Medicaid Handbook visit www.WoodLamping.com or call (513) 852-6000