

# How Do I Calculate The Estate Tax In New Jersey?

---

October 3, 2013 | by

Dear Ask the Attorney:

What assets are included in the New Jersey estate tax? I know there is no inheritance tax on children, and that the estate tax exemption is \$675,000. Does that mean if you have \$1,000,000 estate, the New Jersey estate tax is based on \$325,000? What is the tax generally?

D.S.

Hi D.S.:

Thank you for your question. The first part of your question regarding what assets are subject to the New Jersey estate tax is not an easy question to answer without reviewing the assets of the estate. It would be best to consult with a tax attorney or accountant to review which assets would be included in the New Jersey estate tax calculation.

The second part of your question about calculating the New Jersey estate tax is a common area of confusion. As you mentioned, the tax is imposed on estates of over \$675,000. Keep in mind that amounts passing to a surviving spouse are exempt from the tax. As for the rates, while the tax rates imposed in New Jersey are lower than the Federal estate tax rates, they can still be quite significant. In fact, through a strange quirk in the law, the rates start at a rate as high as 37% on the first \$52,174 over the exemption and, thereafter, the rates range from 4.8% to 16%.

To calculate the tax, you can use the worksheet the Division of Taxation provides on page 10 of the New Jersey Estate Tax Return, which can be found on the [State of New Jersey's Website](#). Once you calculate the Taxable Value of your estate on line 7(a) of the return, which takes into account the value

of the estate, any deductions you may receive and other information, you can enter that value into the Worksheet on page 10 and calculate the New Jersey estate tax. For example, using the worksheet, the following taxes would be imposed on the following New Jersey estates: \$33,200 in estate taxes on a \$1,000,000 estate; \$64,000 in estate taxes on a \$1,500,000 estate; and \$1,067,600 in estate taxes on a \$10,000,000 estate.

*“Ask the Attorney” is a blog in which answers to your legal questions submitted to [asktheattorney@einhornlawyers.com](mailto:asktheattorney@einhornlawyers.com) may be answered. The answers to the questions are for informational purposes only and are not to be construed as legal advice or the creation of an attorney-client relationship. The facts of each case are different; therefore you should seek competent legal representation.*