

New York State Tax Considerations for Estate Administration

Estate planning can be a daunting task, especially as we consider the various complexities introduced by state estate taxes. However, by planning ahead and meeting with an experienced [estate planning lawyer in New York](#), you can be sure that the hard work you did to accumulate wealth and assets to pass on to your children and family will be protected.

Whether you are planning your estate in New York, or you are acting as the executor for a family member's estate, it is important to consider the state taxes that may be levied prior to distribution of the property and assets specified in a will to the named beneficiaries.

New York State Taxes

Estates differ greatly and some may be subject to New York State taxes, which vary based on a variety of factors including the total value of the estate and the amount of taxable financial gifts made during one's lifetime. Generally, the estate tax is based upon the date of death value of the estate's assets, and is calculated as a percentage of the value of the assets reduced by allowable deductions, exemptions, and credits.

In 2014, legislation signed by Governor Cuomo changed New York's estate tax and gift laws. Under the new legislation, New York State [estates valued at more than \\$5,250,000](#) are subject to estate tax. As a result, even if a decedent's estate does not owe federal gift and estate taxes because the value is lower than the current \$11.18 million lifetime exemption, it could still owe taxes in New York State if it crosses the \$5.25 million limit.

The New York Estate Tax “Cliff”

New York State’s estate tax is often referred to as a tax “cliff” because the entire value of the estate is taxed if its value is greater than the exempt amount.

Although New York State’s tax rate, ranging from [5 percent to 16 percent](#), is lower than the 40 percent federal rate, an estate that exceeds the \$5.25 million exemption limit may owe more in taxes at the state level than the federal level, which only levies taxes on the value of the estate that is over the exempt amount.

Get Help Planning Your Estate in New York

The Law Offices of Lissner & Lissner will help you navigate the complexities of estate planning, including federal tax considerations. Contact us or call (212) 307-1499 to discuss your concerns and get started with a personalized estate plan today.