

# ESTATE TAX

For estates of decedents dying after 2004, Arizona no longer imposes an estate tax.

For decedents dying prior to 2005, the Arizona estate tax was designed to "pick-up" the maximum allowable federal credit for state death taxes when the decedent was domiciled in Arizona or owned real or tangible property in Arizona at the time of death. However, for decedents dying after 2004, the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16) completely repealed the federal state death tax credit. Since the federal state death tax credit was the basis of the Arizona estate tax, Arizona effectively no longer had an estate tax after the federal repeal. Following the federal repeal, the

Arizona legislature repealed the Arizona estate tax provisions (Laws 2006, Ch. 262, § 3).

Additionally, Arizona does not impose an inheritance or gift tax.

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