

# Estate Tax

The Arizona estate tax is a tax on the transfer of property or interest in property that takes effect upon the owner's death. The estate tax is imposed on the net taxable estate before distribution, differing from the inheritance tax which is imposed on the portion of the estate received by a beneficiary. Arizona does not impose inheritance or gift taxes. Estate taxes are deposited into the state general fund. (Refer to Table 42.)

The Estate Tax Unit of the Arizona Department of Revenue is responsible for the collection of estate taxes and the processing of estate tax returns and reports of personal representative of decedent.

An estate is not taxable, and no estate tax return is required to be filed if a federal estate tax return is not required. However, a Report of Personal Representative of Decedent must be filed in order to obtain waivers to be used in connection with probate proceedings, to terminate joint tenancy on real property.

The Arizona estate tax for an Arizona resident decedent is an amount equal to the federal credit for state death taxes. If the decedent owned real or tangible personal property located in another state, the Arizona tax is reduced by either the amount of death tax paid to the other state or a prorated share of the federal credit, whichever is less.

The Arizona estate tax for a nonresident decedent is a prorated share of the federal credit, based on the value of real property and tangible personal property having actual situs in Arizona this year

**TABLE 42  
COLLECTIONS OF ESTATE TAXES  
FY96 THROUGH FY00**

<i>Fiscal Year</i>	<i>Collections</i>	<i>Refunds</i>	<i>Net</i>
1995-96	\$55,928,776	\$1,720,800	\$54,207,976
1996-97	\$66,973,245	\$1,540,908	\$65,432,336
1997-98	\$64,490,574	\$1,587,899	\$62,902,674
1998-99	\$89,087,575	\$1,837,477	\$87,250,098
1999-00	\$85,238,335	\$4,594,005	\$80,644,330

Figures may not add to total due to rounding.