



Rhode Island Department of Revenue

Division of Taxation

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ESTATE TAX

ADVISORY FOR TAX PROFESSIONALS
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Rhode Island estate tax credit and threshold set for 2018

Law provides annual adjustment based on widely used gauge of inflation

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the Rhode Island estate tax credit amount and threshold for the estates of decedents dying on or after January 1, 2018.

The Rhode Island estate tax credit amount will be \$66,810 for decedents dying on or after January 1, 2018, up from the current credit amount of \$65,370. As a result, the Rhode Island estate tax threshold will be \$1,537,656 for decedents dying on or after January 1, 2018, up from the current threshold of \$1,515,156.

Rhode Island estate tax threshold amount	
For decedent whose death occurs in:	Estate tax threshold amount is:
2018	\$ 1,537,656
2017	1,515,156
2016	1,500,000
2015	1,500,000
2014	921,655
2013	910,725
2012	892,865
2011	859,350
2010	850,000
2009	675,000

BACKGROUND AND DISCUSSION

Legislation enacted in 2014 made a number of changes to Rhode Island's estate tax. For example, the new law established a Rhode Island estate tax credit of \$64,400, shielding \$1.5 million in assets from the tax -- for decedents dying on or after January 1, 2015.

The new law also established that, starting January 1, 2016, the credit would be adjusted by the percentage increase (if any) in the consumer price index for all urban consumers (CPI-U), determined as of September 30 of the prior calendar year. The adjustment would be rounded up to the nearest \$5.00 increment.

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) announced on October 13, 2017, that the index (not seasonally adjusted) had risen 2.2 percent.

Accordingly, for decedents dying on or after January 1, 2018, the credit amount increased to \$66,810, shielding from taxation the first \$1,537,656 of an estate.

Thus, in general, for a decedent dying in 2018, a net taxable estate valued at \$1,537,656 or less will not be subject to Rhode Island's estate tax.

(In certain circumstances, the Rhode Island estate tax will not apply regardless of the estate's size: Rhode Island General Laws Chapter 44-22 provides full details on the computation of the tax, including such factors as the marital and charitable deductions.)

Rhode Island estate tax credit	
<i>For decedent whose death occurs in:</i>	<i>Estate tax credit amount is:</i>
2018	\$ 66,810
2017	65,370
2016	64,400
2015	64,400

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: www.tax.ri.gov, or call its Estate Tax section at (401) 574-8900.
