



## Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033  
www.wistax.org • 608.241.9789 • fax: 608.241.5807

# NEWS

Contact: Todd A. Berry  
608.241.9789 or [wistax@wistax.org](mailto:wistax@wistax.org)  
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### Wisconsin Estate Tax to End January 1 But May Return in 2011

MADISON—As 2007 ends, so will Wisconsin's estate tax, at least for the next few years. A new report by the Wisconsin Taxpayers Alliance (WISTAX) points to a combination of federal and state tax law changes that are responsible for the demise. The study also highlights the confusion that may result over the next several years with changing federal and state law.

According to the WISTAX report, there will be no Wisconsin estate tax in 2008, 2009, and 2010, and the federal estate tax will be eliminated for 2010. However, without legislative action, both the federal and state estate taxes will return in 2011. "With confusing phaseouts, repeals, and reappearances of estate taxes, individuals planning for the future may want to stay in touch with an attorney or estate planner in the coming years," says Todd A. Berry, WISTAX president.

Wisconsin collected \$121.1 million in estate taxes in fiscal year 2007. Collections in 2008 and 2009 are projected to drop to \$95.0 million and \$25.0 million, respectively.

WISTAX noted that, prior to 2002, Wisconsin's estate tax was simple because the amount paid was based on a federal credit for state death taxes. However, passage of 2001 U.S. tax cuts led Wisconsin legislators to temporarily de-link the state and federal taxes. The result was that, in some cases, an estate paid more taxes to Wisconsin than to the U.S.

This temporary tax ends with 2007 and Wisconsin's tax will again be equal to the state credit on federal returns. But since the federal credit no longer exists, Wisconsin's estate tax will be zero through 2010. With federal tax cuts set to expire in 2010, estate taxes, both at the federal and state level, could return in 2011, WISTAX said.

Celebrating its 75th anniversary, nonprofit WISTAX keeps Wisconsin citizens informed about state and local government through nonpartisan research.

For a free copy of *Focus*, "Wisconsin death tax to die," contact WISTAX at [wistax@wistax.org](mailto:wistax@wistax.org); by phone at 608-241-9789; or by mail at 401 North Lawn Avenue, Madison, WI 53704. □

*(Editors' Note: An electronic version of this release is available at [www.wistax.org](http://www.wistax.org).)*

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.