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Maine Estate Tax Law **(as of June 20, 2011)**

The Maine estate tax exemption in 2011 and 2012 is \$1 million per person. Beginning in 2013, Maine's exemption will increase to \$2 million per person.

Maine estate tax on the excess above the Maine exemption is assessed at a rate of 6% to 16% in 2011 and 2012. In 2013, the rate will be 8% for estates having a value of \$2 million to \$5 million; 240,000 and 10% on the excess above \$5 million for estates having a value of \$5 million to \$8 million; and \$540,000 and 12% on the excess above \$8 million for estates having a value greater than \$8 million.

Maine continues to recognize the marital deduction: there is no Maine estate tax on assets passing at death to a U.S. citizen spouse. Good estate planning involves making use of the estate tax exemption of the first spouse to die.

Maine residents may also create a marital trust with assets falling in the gap between the higher federal exemption (\$5 million in 2011 and 2012) and the lower Maine exemption (\$1 million in 2011 and 2012) and elect that the assets be exempt from Maine estate tax until the death of the surviving U.S. citizen spouse. Assets in a marital trust will qualify for the Maine QTIP deduction and will be fully exempt from federal estate tax at the time of the surviving U.S. citizen spouse's death.