

Estate Tax Study

**Connecticut Department of Revenue Services
Connecticut Office of Policy and Management
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Conclusions of the Connecticut Estate Tax Study

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While policy makers must weigh a variety of factors in crafting tax policy, it appears that the data suggests that they cannot rule out that levying an estate tax may negatively impact the economic activity of their state and migration of their residents. This conclusion is based upon:

1. The majority of states did indeed make a conscious decision to eliminate their estate tax and forego such revenue.
2. The migration data which indicates that Connecticut is a net exporter of people.
3. The Survey of practitioners which indicates that estate tax was a factor in the relocation decisions of a majority of their clients.
4. The economic data which shows that those states with an estate tax underperformed those states without an estate tax.

Public Act 07-1, of the June Special Session, directed the Commissioner of Revenue Services, in consultation with the Secretary of the Office of Policy and Management, to conduct a study of the Connecticut estate tax and submit a report to the Governor and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

This report is in response to that directive and provides an overview of the history of the estate tax, the current Connecticut estate tax, information on other states, tabulations and feedback from a survey sent to practitioners who provide estate tax planning, migration patterns based on Internal Revenue Service data and other research identified in our study.

Both the Office of Policy and Management and the Department of Revenue Services would like to extend their appreciation to the Connecticut Society of Certified Public Accountants and the Connecticut Bar Association, Estate Tax and Probate Section for their help in conducting the survey of practitioners.