



## New York Underwriting Bulletin

From: Michael Kelly, New York State Counsel

Dated: June 26, 2013

Bulletin No: NY13-04

Name: Federal Estate Taxes

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Federal Estate Taxes are a lien for a period of 10 years from the date of death of the property owner. The following is a summary of how this lien is to be addressed:

1. (a) The lien for Federal Estate Tax may be disregarded when the federal gross estate of a decedent is as follows:

- for decedents dying in 2003 a gross estate of not more than \$1,000,000;
- for decedents dying in 2004 or 2005 a gross estate of not more than \$1,500,000;
- for decedents dying in 2006, 2007 or 2008 a gross estate of not more than \$2,000,000;
- for decedents dying in 2009 a gross estate of not more than \$3,500,000;
- for decedents dying in 2010 \* or 2011 a gross estate of not more than \$5,000,000;
- for decedents dying in 2012 a gross estate of not more than \$5,120,000;
- for decedents dying on or after January 1, 2013 a gross estate of not more than \$5,250,000.

- The lien for Federal Estate Tax for decedents dying in the calendar year 2010 may be disregarded if the decedent's executor elected to opt out of paying Federal Estate Tax. See the Economic Growth and Tax Reconciliation Act of 2010.

2. The lien for Federal Estate Tax against a deceased tenant by the entirety or a deceased joint tenant may be disregarded on a deed from the surviving tenant by the entirety or the surviving joint tenant to a purchaser who pays adequate and full consideration.

3. The lien for Federal Estate Tax against a deceased tenant by the entirety or deceased joint tenant may be disregarded upon a mortgage for adequate and full consideration from the surviving tenant by the entirety or the surviving joint tenant.

4. The lien for Federal Estate Tax against a decedent may be disregarded upon a mortgage for value or a transfer made to a purchaser for value which transfer or mortgage is made by the heirs, devisees or distributees of the decedent.

106 Woodcleft Ave., 2<sup>nd</sup> Floor Freeport, NY 11520 P: (516) 521-1400 F: (866) 451-2006

5. Where in an action party defendants are included as unknowns in an omnibus clause, no question will be raised as to possible Federal Estate Tax against the estates of any such unknowns who may be dead and the United States Government need not be named a party for purpose of cutting off such possible Federal Estate Tax. The United States Government is to be named as a party defendant for any other proper reason which may exist in the title.

These guidelines will be incorporated into the Recommended Practices of the New York State Land Title Association. The Recommended Practices, as well as all other New York underwriting memos, may be accessed at the New York section of our Underwriting Library.

<http://wfgunderwriting.com/new-york/>

Please contact underwriting counsel with any questions.