



Inheritance Tax Manual

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Tennessee Inheritance Tax

What is Inheritance Tax?

Inheritance tax is a tax imposed on the value of the decedent's estate that exceeds the exemption amount applicable to the decedent's year of death. The net estate is the fair market value of all assets less any allowable deductions, such as property passing to a surviving spouse, debts, and administrative expenses. The inheritance tax is paid out of the estate by the executor, administrator, or trustee.

⚠ The inheritance tax is repealed and is not applicable to decedents with dates of death occurring in 2016 and after.

Who Must File?

Estates of Tennessee residents with a gross value in excess of the exemption allowed for the year of death must file an inheritance tax return (Form INH 301). Also, estates of nonresidents holding property in Tennessee must file Form INH 301.

If the value of the gross estate is below the exemption allowed for the year of death, an inheritance tax return is not required. However, if the estate is undergoing probate, a short form inheritance tax return (Form INH 302) is required.

In all cases, when an inheritance tax return is filed, reviewed, and payment of all taxes due (if any) are remitted, the Department will issue an Inheritance Tax Closure Certificate.

What is the Exemption Amount?

The exemption available to the estate depends on the date of the decedent's death:

<u>Date of Death</u>	<u>Estate Gross Value Exemption Amount</u>
2005	\$950,000
2006-2012	\$1,000,000
2013	\$1,250,000
2014	\$2,000,000

2015
2016 and after

\$5,000,000
No Tennessee state inheritance tax imposed

Due Date of Return

Returns must be filed within nine months of the date of death.

Extensions

An extension of up to one year will be granted, provided one of the following is attached to the return filed on or before the extended due date:

- Tennessee INH 304 – Application for Extension of Time to File Inheritance Tax Return
- Federal Form 4768 – Application for Extension of Time to File a Return and/or Pay U.S. Estate Tax

An estate with a valid extension will not owe penalty if the return is filed by the extended due date. Interest will accrue from the original due date of the return until payment of the tax due is remitted. Estimated payments may be submitted with Form INH 304.

Where to File

Mail the completed tax form and remit payment to:

Tennessee Department of Revenue
Andrew Jackson State Office Building
500 Deaderick Street
Nashville, TN 37242-0600

Transfers of Real Property and Securities

The state of Tennessee has a statutory lien on all property of the decedent. If the administrator wishes to transfer real property or securities, an Inheritance Tax Consent to Transfer must be obtained. Applications may be submitted through the Department's online services portal at <https://revenue.webapps.tn.gov/ConsentToTransferNew/>.

Additional Information

Additional information and all tax forms and instructions are available on our web site at www.tn.gov/revenue. Taxpayers may call (615) 741-4466 to request that the Department mail tax forms to them. Questions may be submitted by using the Revenue Help feature on the Department's website. Telephone assistance is also available by calling (615) 532-6438.