

# Bases of State Income Taxation of Nongrantor Trusts for 2020

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State	Citations	Top 2020 Rate	Trust Created by Will of Domiciliary/ Resident	Inter Vivos Trust Created by Domiciliary/ Resident	Trust Administered in State	Trust With Domiciliary/ Resident Trustee/ Fiduciary	Trust With Domiciliary/ Resident Beneficiary	Tax Dep't Website
Alabama	Ala. Code §§ 40-18-1(33), 40-18-5(1)(c); Ala. Admin. Code r. 810-3-29-.07(2)(b)-(c); instructions to 2020 Ala. Form 41 at 2.	5.00% on taxable income over \$3,000	✓ <sup>1</sup>	✓ <sup>1</sup>				<a href="http://revenue.alabama.gov">revenue.alabama.gov</a>
Alaska	No income tax imposed.							<a href="http://www.dor.alaska.gov">www.dor.alaska.gov</a>
Arizona	Ariz. Rev. Stat. §§ 43-1013, 43-1011(A), 43-1301(5), 43-1311(B); instructions to 2020 Ariz. Form 141AZ at 1, 20.	4.50% on taxable income over \$163,632				✓		<a href="http://www.azdor.gov">www.azdor.gov</a>
Arkansas	Ark. Code Ann. §§ 26-51-201(a)(9), (10), (d), 26-51-203(a); 2020 Ark. Regular Tax Table at 28; 2020 Ark. Indexed Tax Brackets	6.60% on net income over \$82,000	✓ <sup>2</sup>	✓ <sup>2</sup>				<a href="http://www.dfa.arkansas.gov">www.dfa.arkansas.gov</a>
California	Cal. Rev. & Tax. Code §§ 17041(a)(1), 17043(a), 17742(a); Cal. Const. art. XIII, § 36(f)(2); instructions to 2020 Cal. Form 541 at 9, 11.	13.30% on taxable income over \$1 million				✓	✓ <sup>3</sup>	<a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a>
Colorado	Colo. Rev. Stat. §§ 39-22-103(10), 39-22-104(1.7); instructions to 2020 Colo. Form 105 at 3, 4; 2020 Colo. Form 105 at 1.	4.55% on taxable income			✓			<a href="http://www.tax.colorado.gov">www.tax.colorado.gov</a>

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Connecticut	Conn. Gen. Stat. §§ 12-700(a)(9)(E), 12-701(a)(4)(C)–(D); Conn. Agencies Regs. § 12-701(a)(4)-1; instructions to 2020 Form CT-1041 at 5, 16; 2020 Form CT-1041 at 2.	6.99% on taxable income	✓	✓ <sup>4</sup>				<a href="http://portal.ct.gov/drs">portal.ct.gov/drs</a>
Delaware	30 Del. C. §§ 1102(a)(14), 1601(9); instructions to 2020 Del. Form 400 at 1–2; 2020 Del. Form 400 at 2.	6.60% on taxable income over \$60,000	✓ <sup>5</sup>	✓ <sup>5</sup>		✓ <sup>5</sup>		<a href="http://www.revenue.delaware.gov">www.revenue.delaware.gov</a>
District of Columbia	D.C. Code §§ 47-1806.03(a)(10), 47-1809.01, 47-1809.02; instructions to 2020 D.C. Form D-41 at 7, 8.	8.95% on taxable income over \$1,000,000	✓	✓				<a href="http://otr.cfo.dc.gov">otr.cfo.dc.gov</a>
Florida	No income tax imposed.							<a href="http://floridarevenue.com">floridarevenue.com</a>
Georgia	O.C.G.A. §§ 48-7-20(b)(1), (d), 48-7-22; instructions to 2020 Ga. Form 501 at 7.	5.75% on taxable net income over \$7,000					✓ <sup>2</sup>	<a href="http://dor.georgia.gov">dor.georgia.gov</a>

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Hawaii	Haw. Rev. Stat. §§ 235-1, 235-51(d); Haw. Admin. Rules § 18-235-1.17; instructions to 2020 Haw. Form N-40 at 1, 11.	8.25% on taxable income over \$40,000			✓ <sup>5</sup>	✓ <sup>5</sup>		<a href="http://tax.hawaii.gov">tax.hawaii.gov</a>
Idaho	Idaho Code §§ 63-3015(2), 63-3024(a); Idaho Admin. Code Regs. 35.01.01.035.01, 35.01.01.075.03(e); instructions to 2020 Idaho Form 66 at 8.	6.925% on taxable income over \$11,760	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>		<a href="http://tax.idaho.gov">tax.idaho.gov</a>
Illinois	35 ILCS 5/201(a), (b)(5.4), (c), (d), 5/1501(a)(20)(C)–(D); Ill. Admin. Code tit. 86, § 100.3020(a)(3)–(4); instructions to 2020 Form IL-1041 at 5–6, 13; 2020 Form IL-1041 at 3.	6.45% on net income	✓	✓				<a href="http://www.revenue.illinois.gov">www.revenue.illinois.gov</a>
Indiana	Ind. Code §§ 6-3-1-12(d), 6-3-2-1(a)(3); Ind. Admin. Code tit. 45, r. 3.1-1-21(d); instructions to 2020 Ind. Form IT-41 at 1, 4; 2020 Ind. Form IT-41 at 1.	3.23% on taxable income			✓			<a href="http://www.in.gov/dor">www.in.gov/dor</a>

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Iowa	Iowa Code §§ 422.5(1), 422 5A(9); Iowa Admin. Code r. 701-89.3(1)–(2); 2020 Iowa Form IA 1041 at 4.	8.53% on taxable income over \$74,970			✓ <sup>6</sup>	✓ <sup>6</sup>		<a href="http://tax.iowa.gov">tax.iowa.gov</a>
Kansas	Kan. Stat. Ann. §§ 79-32,109(d), 79-32,110(a)(2)(F), (d); instructions to 2020 Kan. Form K-41 at 2; 2020 Kan. Form K-41 at 4.	5.70% on taxable income over \$30,000			✓			<a href="http://www.ksrevenue.org">www.ksrevenue.org</a>
Kentucky	Ky. Rev. Stat. Ann. §§ 141.020(2)(a), 141.030(1); 103 Ky. Admin. Regs. 19:010; instructions to 2020 Ky. Form 741 at 2; 2020 Ky. Form 741 at 2.	5.00% on taxable income				✓ <sup>5</sup>		<a href="http://revenue.ky.gov">revenue.ky.gov</a>
Louisiana	La. Rev. Stat. Ann. §§ 47:300.1(3), 47:300.10(3); instructions to 2020 La. Form IT-541 at 1.	6.00% on taxable income over \$50,000	✓		✓ <sup>7, 8</sup>			<a href="http://www.revenue.louisiana.gov">www.revenue.louisiana.gov</a>
Maine	Me. Rev. Stat. Ann. tit. 36, §§ 5102(4)(B)–(C), 5111(1-F), 5403; instructions to 2020 Form 1041ME at 1, 3.	7.15% on taxable income over \$52,600	✓	✓				<a href="http://www.maine.gov/revenue">www.maine.gov/revenue</a>

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Maryland	Md. Code Ann., Tax–Gen. §§ 10-101(k)(1)(iii), 10-105(a)(1)(viii), 10-106(a)(1)(iii); instructions to 2020 Md. Form 504 at 1, 5, 6.	5.75% (plus county tax between 2.25% and 3.20%) on taxable net income over \$250,000	✓ <sup>5</sup>	✓ <sup>5</sup>	✓ <sup>5</sup>			<a href="http://www.marylandtaxes.gov">www.marylandtaxes.gov</a>
Massachusetts	Mass. Gen. Laws ch. 62, §§ 4, 10(a), (c); Mass Regs. Code tit. 830, § 62.10.1(1); instructions to 2020 Mass. Form 2 at 2, 4, 23; 2020 Mass. Form 2 at 2.	5.00% on taxable income (12.00% for short-term gains and gains on sales of collectibles)	✓ <sup>5</sup>	✓ <sup>2.5</sup>				<a href="http://www.mass.gov/orgs/massachusetts-department-of-revenue">www.mass.gov/orgs/massachusetts-department-of-revenue</a>
Michigan	Mich. Comp. Laws §§ 206.16, 206.18(1)(c), 206.51(1)(b); instructions to 2020 MI-1041 at 2; 2020 MI-1041 at 1.	4.25% on taxable income	✓	✓ <sup>9</sup>				<a href="http://www.michigan.gov/taxes">www.michigan.gov/taxes</a>
Minnesota	Minn. Stat. §§ 290.01 Subd. 7b, 290.06 Subd. 2c, Subd. 2d; instructions to 2020 Minn. Form M2 at 1, 13, 18.	9.85% on taxable net income over \$136,735	✓ <sup>10</sup>	✓ <sup>10</sup>	✓ <sup>11</sup>			<a href="http://www.revenue.state.mn.us">www.revenue.state.mn.us</a>
Mississippi	Miss. Code Ann. § 27-7-5(1)(c); instructions to 2020 Miss. Form 81-110 at 3, 11.	5.00% on taxable income over \$10,000			✓			<a href="http://www.dor.ms.gov">www.dor.ms.gov</a>

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Missouri	RSMo §§ 143.011, 143.061, 143.331(2)–(3); instructions to 2020 Form MO-1041 at 4, 11.	5.40% on taxable income over \$8,584	✓ <sup>12</sup>	✓ <sup>12</sup>				<b>dor.mo.gov</b>
Montana	Mont. Code Ann. § 15-30-2103; instructions to 2020 Mont. Form FID-3 at 3, 18–19; 2020 Mont. Form FID-3 at 2.	6.90% on taxable income over \$18,700	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	<b>mtrevenue.gov</b>
Nebraska	Neb. Rev. Stat. §§ 77-2714.01(6)(b)–(c), 77-2715.03(2)–(3), 77-2717(1)(a)(ii); 316 Neb. Admin. Code § 23-001; instructions to 2020 Neb. Form 1041N at 7, 8.	6.84% on taxable income over \$16,580	✓	✓				<b>www.revenue.nebraska.gov</b>
Nevada	No income tax imposed.							<b>tax.nv.gov</b>
New Hampshire	No income tax imposed on nongrantor trusts.							<b>www.revenue.nh.gov</b>
New Jersey	NJSA §§ 54A:1-2(o)(2)–(3), 54A:2-1(b)(7); instructions to 2020 Form NJ-1041 at 3, 30.	10.75% on taxable income over \$1,000,000	✓ <sup>13</sup>	✓ <sup>13</sup>				<b>www.state.nj.us/treasury/taxation</b>

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New Mexico	N.M. Stat. Ann. § 7-2-7(C); instructions to 2020 N.M. Form F1D-1 at 3, 9.	4.90% on taxable income over \$16,000			✓	✓		<a href="http://www.tax.newmexico.gov">www.tax.newmexico.gov</a>
New York State	N.Y. Tax Law §§ 601(c)(1)(B)(iii), 605(b)(3); 20 NYCRR § 105.23; instructions to 2020 N.Y. Form IT-205 at 2, 10.	8.82% on taxable income over \$1,077,550	✓ <sup>13</sup>	✓ <sup>13</sup>				<a href="http://www.tax.ny.gov">www.tax.ny.gov</a>
New York City	N.Y. Tax Law §§ 1304(a)(3)(A), 1304-B(a)(1)(ii), 1305(c); Admin. Code City of N.Y. §§ 11-1701, 11-1704.1, 11-1705; instructions to 2020 N.Y. Form IT-205 at 16, 18.	3.876% on taxable income over \$50,000	✓ <sup>13</sup>	✓ <sup>13</sup>				<a href="http://www.tax.ny.gov">www.tax.ny.gov</a>
North Carolina	N.C. Gen. Stat. §§ 105-153.7(a), 105-160.2; 2020 N.C. Form D-407A at 1, 2; 2020 N.C. Form D-407 at 1.	5.25% on taxable income					✓ <sup>14</sup>	<a href="http://www.ncdor.gov">www.ncdor.gov</a>



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North Dakota	N.D. Cent. Code § 57-38-30.3(1)(e), (g); N.D. Admin. Code § 81-03-02.1-04(2); instructions to 2020 N.D. Form 38 at 2; 2020 N.D. Form 38 at 2.	2.90% on taxable income over \$13,175			✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	<a href="http://www.nd.gov/tax">www.nd.gov/tax</a>
Ohio	Ohio Rev. Code Ann. §§ 5747.01(I)(3), 5747.02(A)(3), (D); instructions to 2020 Ohio Form IT 1041 at 8, 9.	4.797% on taxable income over \$221,300	✓	✓ <sup>5</sup>				<a href="http://www.tax.ohio.gov">www.tax.ohio.gov</a>
Oklahoma	Okla. Stat. tit. 68, §§ 2353(6), 2355(C)(1)(f), (G), 2355.1A; Okla. Admin. Code § 710:50-23-1(c); instructions to 2020 Okla. Form 513 at 3, 17.	5.00% on taxable income over \$7,200	✓	✓				<a href="http://www.ok.gov/tax">www.ok.gov/tax</a>
Oregon	Or. Rev. Stat. §§ 316.037, 316.282(1)(d); Or. Admin. R. 150-316.0400(3); instructions to 2020 Or. Form 41 at 3; 2020 Or. Form 41 at 3.	9.90% on taxable income over \$125,000			✓	✓		<a href="http://www.oregon.gov/dor">www.oregon.gov/dor</a>
Pennsylvania	72 P.S. §§ 7301(s), 7302; 61 Pa. Code § 101.1; instructions to 2020 Form PA-41 at 5; 2020 Form PA-41 at 1.	3.07% on taxable income	✓ <sup>15</sup>	✓ <sup>15</sup>				<a href="http://www.revenue.pa.gov">www.revenue.pa.gov</a>

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Rhode Island	R.I. Gen. Laws §§ 44-30-2.6(c)(3)(A)(II), (E), 44-30-5(c)(2)-(4); 280-RICR-20-55-7.7; instructions to 2020 Form RI-1041 at 1-1; 2020 RI-1041 Tax Rate Schedules at 1.	5.99% on taxable income over \$8,300	✓ <sup>5</sup>	✓ <sup>5</sup>				<a href="http://www.tax.ri.gov">www.tax.ri.gov</a>
South Carolina	S.C. Code Ann. §§ 12-6-30(5), 12-6-510(A), 12-6-520; instructions to 2020 Form SC1041 at 1, 3.	7.00% on taxable income over \$15,400			✓			<a href="http://dor.sc.gov">dor.sc.gov</a>
South Dakota	No income tax imposed.							<a href="http://dor.sd.gov">dor.sd.gov</a>
Tennessee	Tenn. Code Ann. §§ 67-2-102(4), 67-2-110(a); instructions to 2020 Tenn. Form INC. 250 at 1, 2.	1.00% on income (interest and dividends only)					✓	<a href="http://www.tn.gov/revenue">www.tn.gov/revenue</a>
Texas	No income tax imposed.							<a href="http://www.comptroller.texas.gov/v/taxes">www.comptroller.texas.gov v/ taxes</a>
Utah	Utah Code Ann. §§ 59-10-104(2)(b), 59-10-202(2)(b), 75-7-103(1)(i)(ii)-(iii); instructions to 2020 UT Form TC-41 at 3, 6, 12-13; 2020 UT Form TC-41 at 1.	4.95% on taxable income	✓ <sup>16</sup>		✓ <sup>16,8</sup>			<a href="http://www.tax.utah.gov">www.tax.utah.gov</a>

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Vermont	32 V.S.A. §§ 5811(11), 5822(a)(5), (6), (b)(2); instructions to 2020 Vt. Form FIT-161 at 2; 2020 Vt. Form FIT-161 at 2.	8.75% on taxable income over \$9,750	✓	✓				<a href="http://www.tax.vt.gov">www.tax.vt.gov</a>
Virginia	Va. Code Ann. §§ 58.1-302, 58.1-320, 58.1-360; 23 Va. Admin. Code § 10-115-10; instructions to 2020 Va. Form 770 at 1, 9.	5.75% on taxable income over \$17,000	✓	✓	✓ <sup>17</sup>			<a href="http://www.tax.virginia.gov">www.tax.virginia.gov</a>
Washington	No income tax imposed.							<a href="http://dor.wa.gov">dor.wa.gov</a>
West Virginia	W. Va. Code §§ 11-21-4e(a), 11-21-7(c); W. Va. Code St. Rs. § 110-21-4, 110-21-7.3; instructions to 2020 W. Va. Form IT-141 at 2, 8.	6.50% on taxable income over \$60,000	✓	✓				<a href="http://www.tax.wv.gov">www.tax.wv.gov</a>
Wisconsin	Wis. Stat. §§ 71.06(1q), (2e)(b), 71.125(1), 71.14(2), (3), (3m); instructions to 2020; Wis. Form 2 at 1, 19.	7.65% on taxable income over \$263,480	✓	✓ <sup>18</sup>	✓ <sup>19</sup>			<a href="http://www.revenue.wi.gov">www.revenue.wi.gov</a>
Wyoming	No income tax imposed.							<a href="http://revenue.wyo.gov">revenue.wyo.gov</a>

## **Bases of State Income Taxation of Nongrantor Trusts for 2020**

<sup>1</sup> Provided that trust has domiciliary or resident fiduciary or current beneficiary for more than seven months during taxable year.

<sup>2</sup> Provided that trust has resident fiduciary.

<sup>3</sup> Other than beneficiary whose interest is contingent.

<sup>4</sup> Provided that trust has resident noncontingent beneficiary.

<sup>5</sup> Provided that trust has resident beneficiary.

<sup>6</sup> Provided that other requirements are met.

<sup>7</sup> Unless trust designates governing law other than Louisiana.

<sup>8</sup> Testamentary trust created by nonresident; inter vivos trust created by resident or nonresident.

<sup>9</sup> Unless trustee, assets, administration, and beneficiaries are outside Michigan.

<sup>10</sup> Post-1995 trust only.

<sup>11</sup> Pre-1996 trust only.

<sup>12</sup> Provided that trust has resident income beneficiary on last day of taxable year.

<sup>13</sup> Unless trust has no trustee, asset, or source income in state and trustee files informational return.

<sup>14</sup> Unless trust does not have resident trustee and resident beneficiaries have not received income, have no right to demand it, and are uncertain ever to receive it (Kaestner, 139 S. Ct. 2213 (2019)). Tax might be eliminated in other situations.

<sup>15</sup> Unless settlor is no longer resident or is deceased and trust lacks sufficient contact with Pennsylvania to establish nexus.

<sup>16</sup> Post-2003 trust having Utah corporate trustee may deduct all nonsource income but must file Utah return if must file federal return.

<sup>17</sup> Until July 1, 2019

<sup>18</sup> Trust created or first administered in Wisconsin after October 28, 1999, only.

<sup>19</sup> Irrevocable inter vivos trust administered in Wisconsin before October 29, 1999, only.



## **DISCLOSURE**

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