

# BASES OF STATE INCOME TAXATION OF NONGRANTOR TRUSTS

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**Bases of State Income Taxation of Nongrantor Trusts (Revised 2/28/19)**

<b>State</b>	<b>Citations</b>	<b>Top 2018 Rate</b>	<b>Trust Created by Will of Resident</b>	<b>Inter Vivos Trust Created by Resident</b>	<b>Trust Administered in State</b>	<b>Trust With Resident Trustee/Fiduciary</b>	<b>Trust With Resident Beneficiary</b>	<b>Tax Dept. Website</b>
Alabama	Ala. Code §§ 40-18-1(33), 40-18-5(l)(c); instructions to 2018 Ala. Form 41 at 1, 2.	5.0% on inc. over \$3,000	✓ <sup>1</sup>	✓ <sup>1</sup>				<a href="http://revenue.alabama.gov">revenue.alabama.gov</a>
Alaska	No income tax imposed on trusts.							<a href="http://www.dor.alaska.gov">www.dor.alaska.gov</a>
Arizona	Ariz. Rev. Stat. §§ 43-1011(5)(a), 43-1301(5), 43-1311(B); instructions to 2018 Ariz. Form 141AZ at 1, 21.	4.54% on inc. over \$158,996				✓		<a href="http://www.azdor.gov">www.azdor.gov</a>
Arkansas	Ark. Code Ann. §§ 26-51-201(a)(9), (10), (b), (d), 26-51-203(a); 2018 Ark. Regular Tax Table at 7.	6.9% on inc. over \$79,300	✓ <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 2018 Cal. Form 541 at 3-4, 9, 11.	13.3% on inc. 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 2018 Colo. Form 105 at 3, 4; 2018 Colo. Form 105 at 1.	4.63%			✓			<a href="http://www.taxcolorado.com">www.taxcolorado.com</a>

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Connecticut	Conn. Gen. Stat. §§ 12-700(a)(9), 12-701(a)(4)(C)–(D); Conn. Agencies Regs. § 12-701(a)(4)-1; instructions to 2018 Form CT-1041 at 6, 16; 2018 Form CT-1041 at 2.	6.99%	✓	✓ <sup>3</sup>				<a href="http://www.ct.gov/drs">www.ct.gov/drs</a>
Delaware	30 Del. C. §§ 1102(a)(14), 1601(8); 2018 Del. Form 400-I at 1, 2; 2018 Del. Form 400 at 2.	6.6% on inc. over \$60,000	✓ <sup>4</sup>	✓ <sup>4</sup>		✓ <sup>4</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 2018 D.C. Form D-41 at 6, 7.	8.95% on inc. over \$1,000,000	✓	✓				<a href="http://otr.cfo.dc.gov">otr.cfo.dc.gov</a>
Florida	No income tax imposed on trusts; Florida intangible personal property tax repealed for 2007 and later years.							<a href="http://floridarevenue.com">floridarevenue.com</a>
Georgia	O.C.G.A. §§ 48-7-20(b)(1), (d), 48-7-22; Ga. Comp. R. & Regs. r. 560-7-3-.07(2); instructions to 2018 Ga. Form 501 at 6.	6.0% on inc. over \$7,000					✓ <sup>5</sup>	<a href="http://dor.georgia.gov">dor.georgia.gov</a>

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Hawaii	Haw. Rev. Stat. §§ 235-1, 235-4.5, 235-51(d); Haw. Admin. Rules § 18-235-1.17; instructions to 2018 Haw. Form N-40 at 1, 13.	8.25% on inc. over \$40,000			✓ <sup>4</sup>	✓ <sup>4</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 2018 Idaho Form 66 at 1, 10.	6.925% on inc. over \$11,279	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>		<a href="http://www.tax.idaho.gov">www.tax.idaho.gov</a>
Illinois	35 Ill. Comp. Stat. 5/201(a), (b)(5.3), (c), (d), 5/1501(a)(20)(C)–(D); Ill. Admin. Code tit. 86, § 100.3020(a)(3)–(4); instructions to 2018 Form IL-1041 at 4; 2018 Form IL-1041 at 2, 3.	6.45%	✓	✓				<a href="http://www.tax.illinois.gov">www.tax.illinois.gov</a>
Indiana	Ind. Code §§ 6-3-1-12(d), 6-3-1-14, 6-3-2-1(a)(3); Ind. Admin. Code tit. 45, r. 3.1-1-21(d); instructions to 2018 Ind. Form IT-41 at 1, 3; 2018 Ind. Form IT-41 at 1.	3.23%			✓			<a href="http://www.in.gov/dor">www.in.gov/dor</a>

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Iowa	Iowa Code § 422.5(1)(i), (6); Iowa Admin. Code r. 701-89.3(1)–(2); instructions to 2018 Iowa Form IA 1041 at 1; 2018 Iowa Form IA 1041 at 2.	8.98% on inc. over \$71,910	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <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 2018 Kan. Form K-41 at 2; 2018 Kan. Form K-41 at 4.	5.7% on inc. 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 2018 Ky. Form 741 at 1, 2; 2018 Ky. Form 741 at 1.	5.0%				✓		<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 2018 La. Form IT-541 at 1.	6.0% on inc. over \$50,000	✓		✓ <sup>7</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 2018 Form 1041ME at 1, 2.	7.15% on inc. over \$50,750	✓	✓				<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), 10-106(a)(1)(iii); instructions to 2018 Md. Form 504 at 1, 5, 6.	5.75% (plus county tax between 1.75% and 3.20% on inc. over \$250,000)	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>			<a href="http://www.marylandtaxes.com">www.marylandtaxes.com</a>
Massachusetts	Mass. Gen. Laws ch. 62, §§ 4, 10(c); Mass Regs. Code tit. 830, § 62.10.1(1); instructions to 2018 Mass. Form 2 at 4, 26; 2018 Mass. Form 2 at 2.	5.1% (12.0% for short-term gains and gains on sales of collectibles)	✓ <sup>4</sup>	✓ <sup>2,4</sup>				<a href="http://www.mass.gov/dor">www.mass.gov/dor</a>
Michigan	Mich. Comp. Laws §§ 206.16, 206.18(1)(c), 206.51(1)(b); instructions to 2018 MI-1041 at 3; 2018 MI-1041 at 1.	4.25%	✓	✓ <sup>8</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 2018 Minn. Form M2 at 1, 13.	9.85% on inc. over \$133,350	✓ <sup>9</sup>	✓ <sup>9</sup>	✓ <sup>10</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 2018 Miss. Form 81-110 at 3, 11.	5.0% on inc. 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 2018 Form MO-1041 at 4, 10.	5.9% on inc. over \$9,253	✓ <sup>11</sup>	✓ <sup>11</sup>				<a href="http://dor.mo.gov">dor.mo.gov</a>
Montana	Mont. Code Ann. §§ 72-38-103(14), 15-30-2103; instructions to 2018 Mont. Form FID-3 at 1, 2, 13, 15–16; 2018 Mont. Form FID-3 at 2.	6.9% on inc. over \$17,900	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	✓ <sup>6</sup>	<a href="http://app.mt.gov/myrevenue">app.mt.gov/myrevenue</a>
Nebraska	Neb. Rev. Stat. §§ 77-2714.01(6)(b)–(c), 77-2715.03(2), (3), 77-2717(1)(a); Neb. Admin. Code tit. 316, Ch. 23, REG-23-001; instructions to 2018 Neb. Form 1041N at 7, 8.	6.84% on inc. over \$15,890	✓	✓				<a href="http://www.revenue.nebraska.gov">www.revenue.nebraska.gov</a>
Nevada	No income tax imposed on trusts.							<a href="http://tax.nv.gov">tax.nv.gov</a>
New Hampshire	No income tax imposed on nongrantor trusts.							<a href="http://www.revenue.nh.gov">www.revenue.nh.gov</a>
New Jersey	NJSA §§ 54A:1-2(o)(2)–(3), 54A:2-1(b)(6); instructions to 2018 Form NJ-1041 at 1, 24.	10.75% on inc. over \$5,000,000	✓ <sup>12</sup>	✓ <sup>12</sup>				<a href="http://www.state.nj.us/treasury/taxation">www.state.nj.us/treasury/taxation</a>

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New Mexico	N.M. Stat. Ann. §§ 7-2-2(I), (S), 7-2-7(C); instructions to 2018 N.M. Form F1D-1 at 2, 5.	4.9% on inc. 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)(i), 605(b)(3); 20 NYCRR § 105.23; instructions to 2018 N.Y. Form IT-205 at 2, 10.	8.82% on inc. over \$1,077,550	✓ <sup>12</sup>	✓ <sup>12</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; Admin. Code City of N.Y. §§ 11-1701, 11-1704.1, 11-1705; instructions to 2018 N.Y. Form IT-205 at 16, 17.	3.876% on inc. over \$50,000	✓ <sup>12</sup>	✓ <sup>12</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; instructions to 2018 N.C. Form D-407 at 1; 2018 N.C. Form D-407 at 1.	5.499%					✓	<a href="http://www.ncdor.gov">www.ncdor.gov</a>

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North Dakota	N.D. Cent. Code §§ 57-38-07, 57-38-30.3(1)(e), (g); N.D. Admin. Code § 81-03-02.1-04(2); instructions to 2018 N.D. Form 38 at 2; 2018 N.D. Form 38 at 2.	2.9% on inc. over \$12,700			✓ <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 2018 Ohio Form IT 1041 at 4.	4.997% on inc. over \$217,400	✓	✓ <sup>4</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 2018 Okla. Form 513 at 2, 14.	5.0% on inc. over \$7,200	✓	✓				<a href="http://www.tax.ok.gov">www.tax.ok.gov</a>
Oregon	Or. Rev. Stat. §§ 316.037, 316.282(1)(d); Or. Admin. R. 150-316.0400(3); instructions to 2018 Or. Form 41 at 3; 2018 Or. Form 41 at 3.	9.9% on inc. 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 2018 Form PA-41 at 4; 2018 Form PA-41 at 1.	3.07%	✓ <sup>13</sup>	✓ <sup>13</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 2018 Form RI-1041 at 1-1; 2018 RI-1041 Tax Rate Schedules at 1.	5.99% on inc. over \$7,950	✓ <sup>4</sup>	✓ <sup>4</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 2018 Form SC1041 at 1, 3.	7.0% on inc. over \$14,860			✓			<a href="http://dor.sc.gov">dor.sc.gov</a>
South Dakota	No income tax imposed on trusts.							<a href="http://dor.sd.gov">dor.sd.gov</a>
Tennessee	Tenn. Code Ann. §§ 67-2-102, 67-2-110(a); instructions to 2018 Tenn. Form INC. 250 at 1, 3.	3.0% (interest and dividends only)					✓	<a href="http://www.tn.gov/revenue">www.tn.gov/revenue</a>
Texas	No income tax imposed on trusts.							<a href="http://www.comptroller.texas.gov/taxes">www.comptroller.texas.gov/taxes</a>
Utah	Utah Code Ann. §§ 59-10-104(2)(b), 59-10-201(1), 75-7-103(1)(i)(ii)–(iii); instructions to 2018 UT Form TC-41 at 3, 6; 2018 UT Form TC-41 at 1.	4.95%	✓ <sup>14</sup>		✓ <sup>14, 15</sup>			<a href="http://www.tax.utah.gov">www.tax.utah.gov</a>

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Vermont	32 V.S.A. §§ 5811(11)(B), 5822(a)(5), (6), (b)(2); instructions to 2018 Vt. Form FIT-161 at 2; 2018 Vt. Form FIT-161 at 2.	8.75% on inc. over \$9,350	✓	✓				<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 2018 Va. Form 770 at 1, 9.	5.75% on inc. over \$17,000	✓	✓	✓	✓		<a href="http://www.tax.virginia.gov">www.tax.virginia.gov</a>
Washington	No income tax imposed on trusts.							<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 2018 W. Va. Form IT-141 at 1, 5.	6.5% on inc. 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 2018 Wis. Form 2 at 1, 18.	7.65% on inc. over \$252,150	✓	✓ <sup>16</sup>	✓ <sup>17</sup>			<a href="http://www.revenue.wi.gov">www.revenue.wi.gov</a>
Wyoming	No income tax imposed on trusts.							<a href="http://revenue.wyo.gov">revenue.wyo.gov</a>

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<sup>1</sup> Provided that trust has resident fiduciary or current beneficiary.

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

<sup>3</sup> Provided that trust has resident noncontingent beneficiary.

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

<sup>5</sup> Tax also applies if trustee receives income from business done in state or manages funds or property located in state.

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

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

<sup>8</sup> Unless trustee, beneficiaries, and administration are outside Michigan.

<sup>9</sup> Post-1995 trust only.

<sup>10</sup> Pre-1996 trust only.

<sup>11</sup> Provided that trust has resident income beneficiary during or on last day of year.

<sup>12</sup> Unless trustees and trust assets are outside state and no source income; trustee should file informational return.

<sup>13</sup> Unless settlor is no longer resident or is deceased and trust lacks sufficient contact with Pennsylvania to establish nexus.

<sup>14</sup> Post-2003 irrevocable resident nongrantor trust having Utah corporate trustee may deduct all nonsource income but must file Utah return if must file federal return.

<sup>15</sup> Testamentary trust created by non-Utah resident; inter vivos trust created by Utah or non-Utah resident.

<sup>16</sup> Trust created or first administered in Wisconsin after October 28, 1999, only.

<sup>17</sup> Irrevocable inter vivos trust administered in Wisconsin before October 29, 1999, only.