

# Who pays the estate tax?

The top 10 percent of income earners pays virtually all of the tax, with over one-third paid by the richest 0.1 percent (table 1). Very few farms or family businesses pay the tax.

TABLE 1

Number of Estate Taxpayers and Distribution of Estate Tax Burden  
2015 current law<sup>a</sup>



Source	Expanded Cash Income Category					Businesses and Farms	
	All	Top 10 percent	Top 5 percent	Top 1 percent	Top 0.1 percent	All <sup>b</sup>	Small <sup>c</sup>
Number of returns <sup>d</sup>	10,830	9,360	8,530	5,250	1,080	900	230
Number taxable <sup>d</sup>	5,330	4,490	3,950	2,190	430	310	30
Percent of all taxable returns	100	84	74	41	8	6	1
Estate tax paid (\$ millions) <sup>e</sup>	18,360	17,710	16,870	13,790	6,400	1,320	10
Percent of all estate tax paid	100	97	92	75	35	7	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

(a) Estimates are for estate tax returns filed for individuals who die in 2015.

(b) Estate tax returns on which farm and business assets represent at least half of gross estate.

(c) Estate tax returns on which farm and business assets represent at least half of gross estate and these assets are no more than \$5 million.

(d) Number of returns is rounded to nearest multiple of ten.

(e) Estate tax paid is rounded to nearest multiple of ten million.

The Tax Policy Center estimates that some 10,800 individuals dying in 2015 will leave estates large enough to require filing an estate tax return (estates with a gross value under \$5.43 million need not file this return in 2015). After allowing for deductions and credits, 5,330 estates will owe tax. Nearly 85 percent of these taxable estates will come from the top 10 percent of income earners and over 40 percent will come from the top 1 percent alone.

Estate tax liability will total an estimated \$18.4 billion in 2015. The top 10 percent of income earners will pay 97 percent of this total. The richest 0.1 percent will pay \$6.4 billion, or 35 percent of the total.

Only 30 small farms and closely held businesses—estates with farm and business assets totaling no more than \$5 million and making up at least half of gross estate—will pay any estate tax in 2015. Such estates will represent less than 1 percent of all taxable estate tax returns.

The Tax Policy Center estimates that small farms and businesses will pay only \$10 million in estate tax in 2015, less than one-tenth of 1 percentage of the total estate tax revenue.

## DATA SOURCES

Urban-Brookings Tax Policy Center. "Microsimulation Model, version 0515-1."

## **FURTHER READING**

Harris, Benjamin. 2013. "[The Estate Tax After ATRA](#)." *Tax Notes*. February 25.

Joint Committee on Taxation. 2015. "[History, Present Law and Analysis of the Federal Wealth Transfer System](#)." JCX-52-15. Washington, DC: Joint Committee on Taxation.

Williams, Robertson. 2013. "[Finally, a Permanent Estate Tax, Though Just for the Wealthy Few](#)." *TaxVox* (blog). February 7.