

Updated New Jersey Inheritance Tax Rules Catch Families Off Guard, Estate Attorneys Warn

New Jersey's inheritance tax survived the 2018 estate tax repeal. Amended N.J.A.C. 18:26 rules and a \$15M federal exemption change who actually pays.

PARSIPPANY, NJ, UNITED STATES, July 29, 2026 /EINPresswire.com/ -- New Jersey's amended inheritance tax regulations took full effect on December 15, 2025, and estate planning attorneys say many residents are working from outdated assumptions about what the state can still tax when they die.

WEINER
LAW GROUP_{LLP}



Weiner Law Group, LLP

New Jersey repealed its estate tax on January 1, 2018. The state's separate transfer inheritance tax was never repealed, and New Jersey remains one of only five states that imposes one, along with Kentucky, Maryland, Nebraska, and Pennsylvania.

What the Amended Regulations Changed

The New Jersey Division of Taxation readopted the inheritance tax regulations at N.J.A.C. 18:26 effective November 17, 2025, with several amendments effective December 15, 2025. The regulations are scheduled to remain in effect through November 17, 2032.

The most significant change expands the definition of a Class A beneficiary, who is exempt from the tax, to expressly include non-biological children conceived through any means of assisted reproduction. Three administrative changes also affect estate administration: a waiver from the Division of Taxation is now required for transfers by all financial institutions rather than only banking institutions, trust companies, and deposit companies; the prior ten-business-day waiting period for waiver issuance has been repealed; and no deduction is permitted for an executor's commission tied to real estate that is specifically devised to a beneficiary.

Why a Larger Federal Exemption Does Not Solve the Problem

The federal estate tax exemption rose to \$15 million per individual and \$30 million per married couple for 2026, up from \$13.99 million and \$27.98 million in 2025, and recent legislation made the higher amount permanent and indexed for inflation beginning in 2027. Very few New Jersey estates will owe federal estate tax as a result.

New Jersey's inheritance tax works differently. It is not based on the size of the estate. It is based on the beneficiary's relationship to the person who died. Spouses, civil union partners, children, stepchildren, grandchildren, parents, and grandparents pay nothing. Siblings and certain in-laws are generally taxed at 11% to 16% on amounts above a \$25,000 exemption. Nieces, nephews, cousins, friends, and unmarried partners are generally taxed at 15% to 16% from essentially the first dollar.

Who Should Review Their Plan

The firm notes that the amended rules matter most for New Jersey residents who intend to leave assets to siblings, nieces, nephews, unmarried partners, or friends; families formed through assisted reproductive technology; and executors currently administering an estate who will now need waivers from a broader set of financial institutions. The firm's [New Jersey estate planning attorneys](#) work with clients on wills, trusts, powers of attorney, and advance directives, and its [New Jersey probate process](#) guidance addresses estate administration after a death.

About [Weiner Law Group LLP](#)

Weiner Law Group LLP has served New Jersey clients since 1988 from offices in Parsippany, Red Bank, Hoboken, and Bayonne, with an additional office in New York City. The firm's practice includes estate planning and probate administration, family law, corporate and business law, real estate, and litigation.

Emily Weiner

Weiner Law Group, LLP

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Facebook](#)

[X](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/930331991>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

