



# The Heartland

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Attorney at Law

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As an estate planning attorney in Kentucky over the last 22 years I can honestly say that not a lot has changed in the law during that time. Of course, I have focused my practice over that time to mainly focus on estate planning, asset protection and estate and trust administration. But the laws governing those types of cases have only had what I would call “adjustments” over that time period. All of that greatly changed on July 15, 2026 when Kentucky’s new laws went into effect. One of the biggest changes was to the Kentucky Inheritance Tax laws.

Kentucky is one of only six states in the country that has inheritance taxes. Inheritance taxes are taxes owed on money being transferred at death. Typically Kentucky has never taxed transfers on death to spouses, kids, stepkids, siblings, parents, grandkids. However, since I have been practicing law Kentucky has always taxed inheritances if you left the money to nieces or nephews. This in essence penalized those people who either never had children or descendants, or whose children and decedents happened to pass away before them.

Perhaps recognizing that our culture and society is changing, and fewer people now are having children, and even those that do have children are having smaller families than in the past, the state of Kentucky has adopted a new law that allows all Kentuckians to name their nieces, nephews, half-nephew, half-niece, and the issue of a stepchild, the issue of a child adopted during adulthood (if reared by decedent during infancy), and the issue of a child adopted during infancy, as beneficiaries of their estates (including trusts) without taxing those transfers. This group of beneficiaries was included in what was known as the Class B beneficiaries, and transfers to them were taxed but not as heavily as those in Class C.

This is a wonderful thing for a person who practices in this area as it has always been so hard to help clients avoid or minimize this tax without also giving up control of the assets. Plus, it will really streamline the settlement of estates as anytime I have an estate that has to file inheritance taxes it always delays things, increases costs for tax preparation and can really create lots of hurdles and roadblocks for loved ones who are simply trying to get the estate settled. I have attached the new law hereto for you to review. Transfers at death to daughters or sons in law, aunts or uncles, and great-grandchildren and cousins are all still taxed but nevertheless these new changes are a step in the right direction.

If you previously did a plan with us and this change in the law has you thinking you might want to change your plan now that you know that your family won’t be taxed even if they not your children or grandchildren or spouse or siblings or parents (Class A beneficiaries), please give us a call at 270-982-2883.



**140.070 Inheritance tax rates.** The tax upon transfers of property as defined in the preceding sections of this chapter shall be at the following rates:

- (1) **Class A.** In case the transfer is to or for the benefit of a parent, surviving spouse, child by blood, stepchild, child adopted during infancy, child adopted during adulthood who was reared by the decedent during infancy or a grandchild who is the issue of a child by blood, the issue of a stepchild, the issue of a child adopted during adulthood who was reared by the decedent during infancy, the issue of a child adopted during infancy, nephew, niece, or a nephew or niece of the half blood, brother, sister, or brother or sister of the half blood, the tax shall be subject to the provisions of KRS 140.080.
- (2) **Class B.** In case the transfer is to or for the benefit of a daughter-in-law, son-in-law, aunt or uncle, or a great-grandchild who is the grandchild of a child by blood, of a stepchild or of a child adopted during infancy, the tax, subject to the provisions of KRS 140.080, shall be:

|                                                                     |         |
|---------------------------------------------------------------------|---------|
| On its value not exceeding \$10,000 .....                           | 4%      |
| On its value exceeding \$10,000, but not exceeding \$20,000 .....   | 5%      |
| On its value exceeding \$20,000, but not exceeding \$30,000 .....   | 6%      |
| On its value exceeding \$30,000, but not exceeding \$45,000 .....   | 8%      |
| On its value exceeding \$45,000, but not exceeding \$60,000 .....   | 10%     |
| On its value exceeding \$60,000, but not exceeding \$100,000 .....  | 12%     |
| On its value exceeding \$100,000, but not exceeding \$200,000 ..... | 14%     |
| On its value exceeding \$200,000 .....                              | 16% (3) |

**Class C.** In case the transfer is to or for the benefit of any educational, religious, or other institutions, societies, or associations, or to any cities, towns, or public institutions not exempted by KRS 140.060, or to any person not included in either Class A or Class B, the tax, subject to the provisions of KRS 140.080, shall be:

|                                                                   |     |
|-------------------------------------------------------------------|-----|
| On its value not exceeding \$10,000 .....                         | 6%  |
| On its value exceeding \$10,000, but not exceeding \$20,000 ..... | 8%  |
| On its value exceeding \$20,000, but not exceeding \$30,000 ..... | 10% |
| On its value exceeding \$30,000, but not exceeding \$45,000 ..... | 12% |
| On its value exceeding \$45,000, but not exceeding \$60,000 ..... | 14% |
| On its value exceeding \$60,000 .....                             | 16% |

**Thank you so much for being our clients!**  
**Kentuck**

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## UPCOMING *workshops*

Thursday, August 27<sup>th</sup> @ 10:30 am  
Tuesday, September 8th @ 6:30pm  
Thursday, September 24 @ 10:30am



## *maintenance luncheons upcoming dates:*

September 16th  
December 9th

**Meet**  
*the Staff*

Attorney:

Benjamin Humphries, PSC  
Client Services Enrollment :

Susan Humphries  
Client Services Satisfaction

Sarah Taylor  
Funding Coordinator  
Macy Higdon  
Drafter

Emma Currin  
Co-Op  
Carlie Humphries