140.080 Exemptions of inheritable interests.

(1) The following exemptions chargeable against the lowest bracket or brackets of inheritable interests shall be free from any tax under the preceding provisions of this chapter:

(a) Surviving spouse, total inheritable interest. Effective as to decedents dying after August 1, 1985, notwithstanding anything in this chapter to the contrary, if the decedent's personal representative (or trustee or transferee, absent a personal representative) shall so elect, the spouse's inheritable interest shall include the entire value of any trust or life estate which is in a form that qualifies for the federal estate tax marital deductions under 26 U.S.C. sec. 2056(b)(5) or (7), as amended through December 31, 1984, regardless of whether or not the federal estate tax marital deduction is elected by the decedent's personal representative. To be valid, the election referred to in the sentence immediately preceding must be made in the form prescribed by the Department of Revenue and must be filed on or before the due date of the tax return, including extensions, or with the first tax return filed, whichever last occurs;

(b) Class A beneficiaries, as defined in KRS 140.070, total inheritable interest;

(c) All persons of Class B, under KRS 140.070, $1,000; and

(d) All persons of Class C, under KRS 140.070, $500.

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

Effective: April 27, 2026

History: Amended 2026 Ky. Acts ch. 198, sec. 41, effective April 27, 2026. -- Amended 2005 Ky. Acts ch. 85, sec. 453, effective June 20, 2005. -- Amended 1995 (2d Extra. Sess.) Ky. Acts ch. 2, sec. 2, effective July 1, 1995. -- Amended 1990 Ky. Acts ch. 31, sec. 2, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 458, sec. 1, effective July 15, 1986. -- Amended 1985 (1st Extra. Sess.) Ky. Acts ch. 6, Pt. IV, sec. 12, effective August 1, 1985. -- Amended 1982 Ky. Acts ch. 141, sec. 61, effective July 1, 1982. -- Amended 1978 Ky. Acts ch. 138, sec. 2, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 77, Pt. II, sec. 1. -- Amended 1960 Ky. Acts ch. 117, sec. 1, effective June 16, 1960. -- Amended 1948 Ky. Acts ch. 96, sec. 3. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4281a-20.

Legislative Research Commission Note (4/27/2026). 2026 Ky. Acts ch. 198, sec. 68, provides that the amendments to KRS 140.080 in 2026 Ky. Acts ch. 198, sec. 41, apply to estates of decedents who died on or after January 1, 2026.

Legislative Research Commission Note. 1985 Acts, Ex. Sess., ch. 6, Part IV, Section 13, directed that the provisions of this section shall be effective for persons dying on or after 8/1/85.

Note: 1980 Ky. Acts ch. 396, sec. 66 would have amended this section effective July 1, 1982. However, 1980 Ky. Acts ch. 396 was repealed by 1982 Ky. Acts ch. 141, sec. 146, also effective July 1, 1982.