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Bill Poole
Director of Finance

MEMORANDUM

TO: Probate Judges
State of Alabama

FROM: Bill Poole
Director of Finance
Alabama Department of Finance

DATE: January 6, 2026

SUBJECT: Small Estate Valuation Update Under Act 2025-431

In accordance with Act 2025-431, Section 43-2-696.02, Code of Alabama 1975 (as amended), the small estate amount must at all times equal the combined maximum amounts of the homestead allowance, exempt property, and family allowance provided under Sections 43-8-110 through 43-8-113, as adjusted pursuant to Section 43-8-116. This requirement took effect October 1, 2025.

Adjustments to exemption values are determined by the State Treasurer to reflect the cumulative change in the Consumer Price Index (CPI-U), as published by the U.S. Department of Labor, for the three-year period ending December 31 preceding the adjustment date. Values are rounded to the nearest twenty-five dollars. At the end of each three-year period thereafter, the State Treasurer shall publish the adjusted amounts, which will apply to exemptions claimed on or after April 1 following the adjustment date, as directed by Section 43-8-116.

The CPI-U adjustments for homestead allowance, exempt property, and family allowance as of July 1, 2023 totals \$47,000 detailed as follows:

- Homestead Allowance \$18,800
- Exempt Property \$18,800
- Family Allowance \$9,400

For questions related to this matter, please contact the State Treasurer's Office at 334-242-7501.

BP/jdj