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A Series EE bond is a form of U.S. Savings Bond that was introduced in 1980.

Series EE bonds are purchased at a discount and then redeemed for their face value when they mature. The imputed interest on a Series EE bond is exempt from state and local taxes. Federal income tax is due on a Series EE bond only when it matures. The tax is applied to the difference between the face value and purchase price of the bond at ordinary income tax rates.

The owner of a maturing Series EE bond can exchange it for an interest bearing Series HH bond in lieu of paying federal income tax on part of the bond proceeds.

The transfer of Series EE bonds is severely restricted. Generally speaking, they cannot be given directly to charity; they must be cashed in and the proceeds given instead.

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