

SENATE BILL No. 59

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1-3; IC 6-4.1-5-1.

Synopsis: Elimination of the inheritance tax. Provides a complete exemption from inheritance tax for property interests transferred to lineal descendants or ancestors with respect to persons who die after June 30, 1998. Phases out the inheritance tax on property interests transferred to other categories of transferees by increasing exemptions. Provides that no inheritance tax will be imposed upon property interests transferred to other categories of transferees with respect to persons who die after June 30, 2000.

Effective: July 1, 1998.

Zakas

January 6, 1998, read first time and referred to Committee on Finance.



Introduced

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

SENATE BILL No. 59

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-4.1-3-10, AS AMENDED BY P.L.254-1997(ss),
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 1998]: Sec. 10. (a) **With respect to a person who dies before**
4 **July 1, 1998**, the first one hundred thousand dollars (\$100,000) of **the**
5 **decedent's** property interests transferred to a Class A transferee under a
6 taxable transfer or transfers is exempt from the inheritance tax.

7 (b) **With respect to a person who dies after June 30, 1998, the**
8 **entire amount of the decedent's property interests transferred to a**
9 **Class A transferee is exempt from the inheritance tax.**

10 SECTION 2. IC 6-4.1-3-11 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 11. (a) **With respect to**
12 **a person who dies before July 1, 1998**, the first five hundred dollars
13 (\$500) of **the decedent's** property interests transferred to a Class B
14 transferee under a taxable transfer or transfers is exempt from the
15 inheritance tax.

16 (b) **With respect to a person who dies after June 30, 1998, the**
17 **amount of the decedent's property interests transferred to a Class**

1998

IN 59—LS 6066/DI 92+



1 **B transferee as set forth in the following table is exempt from the**
 2 **inheritance tax:**

3 DATE OF	AMOUNT OF
4 DEATH	EXEMPTION
	FOR CLASS B
	TRANSFEEE
7 After June 30, 1998, and	
8 before July 1, 1999	\$100,000
9 After June 30, 1999, and	
10 before July 1, 2000	\$120,000

11 SECTION 3. IC 6-4.1-3-12 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 12. (a) **With respect to**
 13 **a person who dies before July 1, 1998**, the first one hundred dollars
 14 (\$100) of **the decedent's** property interests transferred to a Class C
 15 transferee under a taxable transfer or transfers is exempt from the
 16 inheritance tax.

17 (b) **With respect to a person who dies after June 30, 1998, the**
 18 **amount of the decedent's property interests transferred to a Class**
 19 **C transferee as set forth in the following table is exempt from the**
 20 **inheritance tax:**

21 DATE OF	AMOUNT OF
22 DEATH	EXEMPTION
	FOR CLASS C
	TRANSFEEE
25 After June 30, 1998, and	
26 before July 1, 1999	\$20,000
27 After June 30, 1999, and	
28 before July 1, 2000	\$24,000

29 SECTION 4. IC 6-4.1-5-1 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) For purposes of
 31 this section, the net taxable value of property interests transferred by a
 32 decedent to a particular transferee equals the remainder of:

33 (1) the total fair market value of the property interests transferred
 34 by the decedent to the transferee under a taxable transfer or
 35 transfers; minus

36 (2) the total amount of exemptions and deductions provided under
 37 sections 9.1 through 15 of IC 6-4.1-3 with respect to the property
 38 interests so transferred.

39 (b) **With respect to a person who dies before July 1, 1998, the**
 40 **inheritance tax imposed on a decedent's transfer of property interests to**
 41 **a particular Class A transferee is prescribed in the following table:**

42 **NET TAXABLE VALUE OF**



PROPERTY INTERESTS TRANSFERRED	INHERITANCE TAX
\$25,000 or less	1% of net taxable value
over \$25,000 but not over \$50,000	\$250, plus 2% of net taxable value over \$25,000
over \$50,000 but not over \$200,000	\$750, plus 3% of net taxable value over \$50,000
over \$200,000 but not over \$300,000	\$5,250, plus 4% of net taxable value over \$200,000
over \$300,000 but not over \$500,000	\$9,250, plus 5% of net taxable value over \$300,000
over \$500,000 but not over \$700,000	\$19,250, plus 6% of net taxable value over \$500,000
over \$700,000 but not over \$1,000,000	\$31,250, plus 7% of net taxable value over \$700,000
over \$1,000,000 but not over \$1,500,000	\$52,250, plus 8% of net taxable value over \$1,000,000
over \$1,500,000	\$92,250, plus 10% of net taxable value over \$1,500,000

(c) **With respect to a person who dies after June 30, 1998, the inheritance tax imposed on a transfer of the decedent's property interests to a particular Class A transferee is zero dollars (\$0).**

(e) (d) **With respect to a person who dies before July 1, 2000, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:**

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		7% of net taxable value
over \$100,000 but not over \$500,000		\$7,000, plus 10% of net taxable value over \$100,000
over \$500,000 but not over \$1,000,000		\$47,000, plus 12% of net taxable value over \$500,000



1 over \$1,000,000 \$107,000, plus 15% of net
 2 taxable value over \$1,000,000

3 **(e) With respect to a person who dies after June 30, 2000, the**
 4 **inheritance tax imposed on a transfer of the decedent's property**
 5 **interests to a particular Class B transferee is zero dollars (\$0).**

6 ~~(e)~~ **(f) With respect to a person who dies before July 1, 2000, the**
 7 inheritance tax imposed on a decedent's transfer of property interests to
 8 a particular Class C transferee is prescribed in the following table:

9 NET TAXABLE VALUE OF	
10 PROPERTY INTERESTS	
11 TRANSFERRED	11 INHERITANCE TAX
12 \$100,000 or less	12 10% of net taxable value
13 over \$100,000 but not	
14 over \$1,000,000	14 \$10,000, plus 15% of net
	15 taxable value over
	16 \$100,000
17 over \$1,000,000	17 \$145,000, plus 20% of
	18 net taxable value over
	19 \$1,000,000

20 **(g) With respect to a person who dies after June 30, 2000, the**
 21 **inheritance tax imposed on a transfer of the decedent's property**
 22 **interests to a particular Class C transferee is zero dollars (\$0).**

