

Adopted Rejected

COMMITTEE REPORT

YES: 22
NO: 3

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 293, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-4.1-1-0.5 IS ADDED TO THE INDIANA CODE
- 4 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 5 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest**
- 6 **transferred by a decedent whose death occurs after June 30,**
- 7 **2022."**
- 8 Page 2, delete lines 23 through 42, begin a new paragraph and
- 9 insert:
- 10 "SECTION 3. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA CODE
- 11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 12 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest**
- 13 **transferred by a decedent whose death occurs after June 30, 2022.**
- 14 SECTION 4. IC 6-4.1-2-1 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) An inheritance
 2 tax is imposed at the time of a decedent's death on certain property
 3 interest transfers made by ~~him~~ **the decedent**. The transfer of a property
 4 interest is subject to the tax if:

5 (1) the property transferred is described in:

6 (i) **(A)** section 2 of this chapter, if the property is transferred
 7 by a resident decedent; or

8 (ii) **(B)** section 3 of this chapter, if the property is transferred
 9 by a nonresident decedent;

10 (2) the transfer is described in section 4 of this chapter; and

11 (3) neither the transfer nor the property is exempt from the
 12 inheritance tax under IC 6-4.1-3.

13 (b) For purposes of this article, a transfer described in section 4 of
 14 this chapter is considered a transfer made by the deceased transferor
 15 regardless of when the transferee acquires the property interest.

16 SECTION 5. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA CODE
 17 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 18 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest**
 19 **transferred by a decedent whose death occurs after June 30, 2022.**

20 SECTION 7. IC 6-4.1-3-10 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. **(a) With respect**
 22 **to a taxable transfer or transfers resulting from the death of a**
 23 **decedent who dies before July 1, 2012**, the first one hundred thousand
 24 dollars (\$100,000) of property interests transferred to a Class A
 25 transferee under **a the** taxable transfer or transfers is exempt from the
 26 inheritance tax.

27 **(b) With respect to a taxable transfer or transfers resulting**
 28 **from the death of a decedent who dies after June 30, 2012, the first**
 29 **two hundred fifty thousand dollars (\$250,000) of property interests**
 30 **transferred to a Class A transferee under the taxable transfer or**
 31 **transfers is exempt from the inheritance tax.**

32 SECTION 8. IC 6-4.1-3-11 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. **(a) With respect**
 34 **to a taxable transfer or transfers resulting from the death of a**
 35 **decedent who dies before July 1, 2012**, the first five hundred dollars
 36 (\$500) of property interests transferred to a Class B transferee under **a**
 37 **the** taxable transfer or transfers is exempt from the inheritance tax.

38 **(b) With respect to a taxable transfer or transfers resulting**

1 from the death of a decedent who dies after June 30, 2012, the first
 2 twenty-five thousand dollars (\$25,000) of property interests
 3 transferred to a Class B transferee under the taxable transfer or
 4 transfers is exempt from the inheritance tax.

5 SECTION 9. IC 6-4.1-3-12 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12. (a) With respect
 7 to a taxable transfer or transfers resulting from the death of a
 8 decedent who dies before July 1, 2012, the first one hundred dollars
 9 (\$100) of property interests transferred to a Class C transferee under a
 10 the taxable transfer or transfers is exempt from the inheritance tax.

11 (b) With respect to a taxable transfer or transfers resulting
 12 from the death of a decedent who dies after June 30, 2012, the first
 13 twenty-five thousand dollars (\$25,000) of property interests
 14 transferred to a Class C transferee under the taxable transfer or
 15 transfers is exempt from the inheritance tax.

16 SECTION 10. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2012]: Sec. 0.2. This chapter does not apply
 19 to a property interest transferred by a decedent whose death
 20 occurs after June 30, 2022.

21 SECTION 11. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: Sec. 0.5. This chapter does not apply
 24 to a property interest transferred by a decedent whose death
 25 occurs after June 30, 2022.

26 SECTION 12. IC 6-4.1-5-1.1 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2012]: Sec. 1.1. (a) This section applies to a
 29 property interest transferred by a decedent whose death occurs
 30 after June 30, 2012.

31 (b) For purposes of determining the amount of inheritance tax
 32 imposed under this article, a credit is allowed against the tax
 33 imposed under section 1 of this chapter on a decedent's transfer of
 34 property interests. The amount of the credit equals the inheritance
 35 tax imposed under section 1 of this chapter multiplied by the
 36 percentage prescribed in the following table:

37 DATE OF	PERCENTAGE
38 INDIVIDUAL'S DEATH	OF CREDIT

1	After June 30, 2012, and	
2	before July 1, 2013.....	9%
3	After June 30, 2013, and	
4	before July 1, 2014.....	18%
5	After June 30, 2014, and	
6	before July 1, 2015.....	27%
7	After June 30, 2015, and	
8	before July 1, 2016.....	36%
9	After June 30, 2016, and	
10	before July 1, 2017.....	45%
11	After June 30, 2017, and	
12	before July 1, 2018.....	55%
13	After June 30, 2018, and	
14	before July 1, 2019.....	64%
15	After June 30, 2019, and	
16	before July 1, 2020.....	73%
17	After June 30, 2020, and	
18	before July 1, 2021.....	82%
19	After June 30, 2021, and	
20	before July 1, 2022.....	91%

(c) A person who is liable for inheritance tax imposed under this article may claim the credit allowed under this section at the time the person pays the tax. When the payment is made, the person collecting the tax shall reduce the inheritance tax due by the amount of the credit specified in subsection (b).

SECTION 13. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 14. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 15. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**

1 **to a property interest transferred by a decedent whose death**
 2 **occurs after June 30, 2022.**

3 SECTION 16. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**
 6 **to a property interest transferred by a decedent whose death**
 7 **occurs after June 30, 2022.**

8 SECTION 17. IC 6-4.1-11-6 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) The department
 10 of state revenue shall collect the Indiana estate tax and the interest
 11 charges imposed under this chapter. The department shall remit the
 12 money which it collects under this chapter to the state treasurer, and the
 13 state treasurer shall deposit the money in the state general fund.

14 (b) ~~Before August 15 of each year~~ **Except as provided in**
 15 **subsection (e)**, the treasurer of state shall **annually** distribute to each
 16 county the amount determined under subsection (c) **or (d)** for the
 17 county. **The distribution for a particular state fiscal year must be**
 18 **made before August 15 of the following state fiscal year.** There is
 19 appropriated from the state general fund the amount necessary to make
 20 the distributions under this ~~section~~: **subsection.**

21 (c) **For a state fiscal year ending before July 1, 2012**, the
 22 department of state revenue shall determine the inheritance tax
 23 replacement amount for each county using the following formula:

24 STEP ONE: Determine the amount of inheritance tax revenue
 25 retained by each county in each state fiscal year beginning with
 26 the state fiscal year that began July 1, 1990, and ending with the
 27 state fiscal year that ends June 30, 1997.

28 STEP TWO: Determine the average annual amount of inheritance
 29 tax revenue retained by each county using five (5) of the seven (7)
 30 state fiscal years described in STEP ONE after excluding the two
 31 (2) years in which each county retained its highest and lowest
 32 totals of inheritance tax revenue.

33 STEP THREE: Determine the remainder of the STEP TWO
 34 amount minus the amount of inheritance taxes retained by the
 35 county during the immediately preceding state fiscal year.

36 **(d) For a state fiscal year beginning after June 30, 2012, and**
 37 **ending before July 1, 2022, the department of state revenue shall**
 38 **determine the inheritance tax replacement amount for each county**

1 using the following formula:

2 **STEP ONE: Determine the inheritance tax replacement**
 3 **amount distributed to the county for the state fiscal year**
 4 **beginning after June 30, 2011, and ending before July 1, 2012.**

5 **STEP TWO: Multiply the amount determined under STEP**
 6 **ONE by the appropriate percentage as follows:**

7 (A) **Ninety-one percent (91%) for a state fiscal year**
 8 **beginning after June 30, 2012, and ending before July 1,**
 9 **2013.**

10 (B) **Eighty-two percent (82%) for a state fiscal year**
 11 **beginning after June 30, 2013, and ending before July 1,**
 12 **2014.**

13 (C) **Seventy-three percent (73%) for a state fiscal year**
 14 **beginning after June 30, 2014, and ending before July 1,**
 15 **2015.**

16 (D) **Sixty-four percent (64%) for a state fiscal year**
 17 **beginning after June 30, 2015, and ending before July 1,**
 18 **2016.**

19 (E) **Fifty-five percent (55%) for a state fiscal year**
 20 **beginning after June 30, 2016, and ending before July 1,**
 21 **2017.**

22 (F) **Forty-five percent (45%) for a state fiscal year**
 23 **beginning after June 30, 2017, and ending before July 1,**
 24 **2018.**

25 (G) **Thirty-six percent (36%) for a state fiscal year**
 26 **beginning after June 30, 2018, and ending before July 1,**
 27 **2019.**

28 (H) **Twenty-seven percent (27%) for a state fiscal year**
 29 **beginning after June 30, 2019, and ending before July 1,**
 30 **2020.**

31 (I) **Eighteen percent (18%) for a state fiscal year beginning**
 32 **after June 30, 2020, and ending before July 1, 2021.**

33 (J) **Nine percent (9%) for a state fiscal year beginning after**
 34 **June 30, 2021, and ending before July 1, 2022.**

35 (e) **A county is not entitled to a distribution under subsection (b)**
 36 **for a state fiscal year beginning after June 30, 2022.**

37 SECTION 18. IC 6-4.1-12-0.5 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. (a) For an individual who**
2 **dies after June 30, 2022, there is no inheritance tax imposed on the**
3 **decedent's transfer of property interests.**

4 **(b) Sections 1 through 12 of this chapter do not apply to a**
5 **property interest transferred by a decedent whose death occurs**
6 **after June 30, 2022."**

7 Delete pages 3 through 12.

8 Renumber all SECTIONS consecutively.

(Reference is to SB 293 as printed January 27, 2012.)

and when so amended that said bill do pass.

Representative Espich