



January 27, 2012

SENATE BILL No. 293

DIGEST OF SB 293 (Updated January 24, 2012 7:30 pm - DI 58)

Citations Affected: IC 6-4.1.

Synopsis: Inheritance tax. Reclassifies a spouse, widow, or widower of a child of the transferor as a Class A transferee instead of a Class B transferee. Reclassifies a spouse, widow, or widower of a stepchild of the transferor as a Class A transferee instead of a Class C transferee. Annually increases the inheritance tax exemption amounts through 2015. Provides that the tax base for determining the inheritance tax includes the exempted amount but applies a 0% tax rate to transfers that are equal to or less than the exempted amount. Reduces the inheritance tax rates by 50% for transfers resulting from the death of an individual who dies after June 30, 2016.

Effective: July 1, 2012.

**Smith J, Hershman, Head, Miller,
Holdman, Randolph**

January 5, 2012, read first time and referred to Committee on Tax and Fiscal Policy.
January 26, 2012, amended, reported favorably — Do Pass.

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SB 293—LS 6859/DI 92+



January 27, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 293

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 6-4.1-1-3, AS AMENDED BY P.L.220-2011,
2 SECTION 149, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) "Class A transferee" means
4 a transferee who is any of the following:
5 (1) A lineal ancestor of the transferor.
6 (2) A lineal descendant of the transferor.
7 (3) A stepchild of the transferor, whether or not the stepchild is
8 adopted by the transferor. This subdivision applies to the estate of
9 an individual who dies after June 30, 2004.
10 (4) A lineal descendant of a stepchild of the transferor, whether
11 or not the stepchild is adopted by the transferor.
12 (5) A spouse, widow, or widower of a child of the transferor.
13 This subdivision applies to the estate of an individual who dies
14 after June 30, 2012.
15 (6) A spouse, widow, or widower of a stepchild of the
16 transferor, whether or not the stepchild is adopted by the
17 transferor. This subdivision applies to the estate of an

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individual who dies after June 30, 2012.

(b) "Class B transferee" means a transferee who is a:

- (1) brother or sister of the transferor;
- (2) descendant of a brother or sister of the transferor; or
- (3) spouse, widow, or widower of a child of the transferor. **This subdivision applies to the estate of an individual who dies before July 1, 2012.**

(c) "Class C transferee" means a transferee, except a surviving spouse, who is neither a Class A nor a Class B transferee.

(d) For purposes of this section, a legally adopted child is to be treated as if the child were the natural child of the child's adopting parent if the adoption occurred before the individual was totally emancipated. However, an individual adopted after being totally emancipated shall be treated as the natural child of the adopting parent if the adoption was finalized before July 1, 2004.

(e) For purposes of this section, if a relationship of loco parentis has existed for at least ten (10) years and if the relationship began before the child's fifteenth birthday, the child is to be considered the natural child of the loco parentis parent.

(f) As used in this section, "stepchild" means a child of the transferor's surviving, deceased, or former spouse who is not a child of the transferor.

SECTION 2. IC 6-4.1-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. **(a) With respect to a taxable transfer or transfers resulting from the death of an individual who dies before July 1, 2012**, the first one hundred thousand dollars (\$100,000) of property interests transferred to a Class A transferee under a the taxable transfer or transfers is exempt from the inheritance tax.

(b) With respect to a taxable transfer or transfers resulting from the death of an individual who dies after June 30, 2012, the following amounts of property interests transferred to a Class A transferee under the taxable transfer or transfers are exempt from the inheritance tax:

- (1) In the case of an individual who dies after June 30, 2012, but before July 1, 2013, the first three hundred thousand dollars (\$300,000).**
- (2) In the case of an individual who dies after June 30, 2013, but before July 1, 2014, the first five hundred thousand dollars (\$500,000).**
- (3) In the case of an individual who dies after June 30, 2014, but before July 1, 2015, the first seven hundred thousand**



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dollars (\$700,000).

(4) In the case of an individual who dies after June 30, 2015, the first one million dollars (\$1,000,000).

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

(b) With respect to a taxable transfer or transfers resulting from the death of an individual who dies after June 30, 2012, the following amounts of property interests transferred to a Class B transferee under the taxable transfer or transfers are exempt from the inheritance tax:

(1) In the case of an individual who dies after June 30, 2012, but before July 1, 2013, the first twenty-five thousand dollars (\$25,000).

(2) In the case of an individual who dies after June 30, 2013, but before July 1, 2014, the first fifty thousand dollars (\$50,000).

(3) In the case of an individual who dies after June 30, 2014, but before July 1, 2015, the first seventy-five thousand dollars (\$75,000).

(4) In the case of an individual who dies after June 30, 2015, the first one hundred thousand dollars (\$100,000).

SECTION 4. IC 6-4.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12. **(a) With respect to a taxable transfer or transfers resulting from the death of an individual who dies before July 1, 2012,** the first one hundred dollars (\$100) of property interests transferred to a Class C transferee under a the taxable transfer or transfers is exempt from the inheritance tax.

(b) With respect to a taxable transfer or transfers resulting from the death of an individual who dies after June 30, 2012, the following amounts of property interests transferred to a Class C transferee under the taxable transfer or transfers are exempt from the inheritance tax:

(1) In the case of an individual who dies after June 30, 2012, but before July 1, 2013, the first twenty-five thousand dollars (\$25,000).

(2) In the case of an individual who dies after June 30, 2013, but before July 1, 2014, the first fifty thousand dollars (\$50,000).

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- 1 **(3) In the case of an individual who dies after June 30, 2014,**
- 2 **but before July 1, 2015, the first seventy-five thousand dollars**
- 3 **(\$75,000).**
- 4 **(4) In the case of an individual who dies after June 30, 2015,**
- 5 **the first one hundred thousand dollars (\$100,000).**

6 SECTION 5. IC 6-4.1-5-1 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. **(a) This section**
 8 **applies to property interests transferred by a decedent who dies**
 9 **before July 1, 2012.**

10 ~~(a)~~ **(b)** For purposes of this section, the net taxable value of property
 11 interests transferred by a decedent to a particular transferee equals the
 12 remainder of:

- 13 (1) the total fair market value of the property interests transferred
- 14 by the decedent to the transferee under a taxable transfer or
- 15 transfers; minus
- 16 (2) the total amount of exemptions and deductions provided under
- 17 ~~sections 9-1 through 15 of IC 6-4.1-3~~ **IC 6-4.1-3-10 through**
- 18 **IC 6-4.1-3-15**, with respect to the property interests so
- 19 transferred.

20 ~~(b)~~ **(c)** The inheritance tax imposed on a decedent's transfer of
 21 property interests to a particular Class A transferee is prescribed in the
 22 following table:

| 23 NET TAXABLE VALUE OF | |
|------------------------------------|-------------------------------|
| 24 PROPERTY INTERESTS | |
| 25 TRANSFERRED | INHERITANCE TAX |
| 26 \$25,000 or less | 1% of net taxable value |
| 27 over \$25,000 but not | |
| 28 over \$50,000 | \$250, plus 2% of net |
| | taxable value over \$25,000 |
| 29 over \$50,000 but not | |
| 30 over \$200,000 | \$750, plus 3% of net taxable |
| | value over \$50,000 |
| 31 over \$200,000 but not | |
| 32 over \$300,000 | \$5,250, plus 4% of net |
| | taxable value over \$200,000 |
| 33 over \$300,000 but not | |
| 34 over \$500,000 | \$9,250, plus 5% of net |
| | taxable value over \$300,000 |
| 35 over \$500,000 but not | |
| 36 over \$700,000 | \$19,250, plus 6% of net |
| | taxable value over \$500,000 |
| 37 over \$700,000 but not | |
| 38 over \$700,000 but not | |

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| 1 | over \$1,000,000 | \$31,250, plus 7% of net |
| 2 | | taxable value over \$700,000 |
| 3 | over \$1,000,000 but not | |
| 4 | over \$1,500,000 | \$52,250, plus 8% of net |
| 5 | | taxable value over \$1,000,000 |
| 6 | over \$1,500,000 | \$92,250, plus 10% of net |
| 7 | | taxable value over \$1,500,000 |

8 (c) (d) The inheritance tax imposed on a decedent's transfer of
 9 property interests to a particular Class B transferee is prescribed in the
 10 following table:

| | | |
|----|------------------------|--------------------------------|
| 11 | NET TAXABLE VALUE OF | |
| 12 | PROPERTY INTERESTS | |
| 13 | TRANSFERRED | INHERITANCE TAX |
| 14 | \$100,000 or less | 7% of net taxable value |
| 15 | over \$100,000 but not | |
| 16 | over \$500,000 | \$7,000, plus 10% of net |
| 17 | | taxable value over \$100,000 |
| 18 | over \$500,000 but not | |
| 19 | over \$1,000,000 | \$47,000, plus 12% of net |
| 20 | | taxable value over \$500,000 |
| 21 | over \$1,000,000 | \$107,000, plus 15% of net |
| 22 | | taxable value over \$1,000,000 |

23 (d) (e) The inheritance tax imposed on a decedent's transfer of
 24 property interests to a particular Class C transferee is prescribed in the
 25 following table:

| | | |
|----|------------------------|--------------------------------|
| 26 | NET TAXABLE VALUE OF | |
| 27 | PROPERTY INTERESTS | |
| 28 | TRANSFERRED | INHERITANCE TAX |
| 29 | \$100,000 or less | 10% of net taxable value |
| 30 | over \$100,000 but not | |
| 31 | over \$1,000,000 | \$10,000, plus 15% of net |
| 32 | | taxable value over \$100,000 |
| 33 | over \$1,000,000 | \$145,000, plus 20% of net |
| 34 | | taxable value over \$1,000,000 |

35 SECTION 6. IC 6-4.1-5-18 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2012]: **Sec. 18. (a) This section applies to property interests**
 38 **transferred by a decedent who dies after June 30, 2012, but before**
 39 **July 1, 2013.**

40 (b) For purposes of this section, the net taxable value of
 41 property interests transferred by a decedent to a particular
 42 transferee equals the remainder of:



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

4 (2) the total amount of deductions provided under
 5 IC 6-4.1-3-13, IC 6-4.1-3-14, and IC 6-4.1-3-15, with respect
 6 to the property interests so transferred.

7 (c) The inheritance tax imposed on a decedent's transfer of
 8 property interests to a particular Class A transferee is prescribed
 9 in the following table:

| 10 NET TAXABLE VALUE OF | |
|-----------------------------|--------------------------------|
| 11 PROPERTY INTERESTS | |
| 12 TRANSFERRED | INHERITANCE TAX |
| 13 \$300,000 or less | 0% of net taxable value |
| 14 over \$300,000 but not | |
| 15 over \$500,000 | \$9,250, plus 5% of net |
| | taxable value over \$300,000 |
| 16 over \$500,000 but not | |
| 17 over \$700,000 | \$19,250, plus 6% of net |
| | taxable value over \$500,000 |
| 18 over \$700,000 but not | |
| 19 over \$1,000,000 | \$31,250, plus 7% of net |
| | taxable value over \$700,000 |
| 20 over \$1,000,000 but not | |
| 21 over \$1,500,000 | \$52,250, plus 8% of net |
| | taxable value over \$1,000,000 |
| 22 over \$1,500,000 | \$92,250, plus 10% of net |
| | taxable value over \$1,500,000 |

23 (d) The inheritance tax imposed on a decedent's transfer of
 24 property interests to a particular Class B transferee is prescribed
 25 in the following table:

| 26 NET TAXABLE VALUE OF | |
|---------------------------|------------------------------|
| 27 PROPERTY INTERESTS | |
| 28 TRANSFERRED | INHERITANCE TAX |
| 29 \$25,000 or less | 0% of net taxable value |
| 30 over \$25,000 but not | |
| 31 over \$100,000 | 7% of net taxable value |
| 32 over \$100,000 but not | |
| 33 over \$500,000 | \$7,000, plus 10% of net |
| | taxable value over \$100,000 |
| 34 over \$500,000 but not | |
| 35 over \$1,000,000 | \$47,000, plus 12% of net |
| | taxable value over \$500,000 |



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| 1 | over \$1,000,000 | \$107,000, plus 15% of net |
| 2 | | taxable value over |
| 3 | | \$1,000,000 |
| 4 | (e) The inheritance tax imposed on a decedent's transfer of | |
| 5 | property interests to a particular Class C transferee is prescribed | |
| 6 | in the following table: | |
| 7 | NET TAXABLE VALUE OF | |
| 8 | PROPERTY INTERESTS | |
| 9 | TRANSFERRED | INHERITANCE TAX |
| 10 | \$25,000 or less | 0% of net taxable value |
| 11 | over \$25,000 but not | |
| 12 | over \$100,000 | 10% of net taxable value |
| 13 | over \$100,000 but not | |
| 14 | over \$1,000,000 | \$10,000, plus 15% of net |
| 15 | | taxable value over \$100,000 |
| 16 | over \$1,000,000 | \$145,000, plus 20% of net |
| 17 | | taxable value over \$1,000,000 |

18 SECTION 7. IC 6-4.1-5-19 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 20 1, 2012]: Sec. 19. (a) This section applies to property interests
 21 transferred by a decedent who dies after June 30, 2013, but before
 22 July 1, 2014.

23 (b) For purposes of this section, the net taxable value of
 24 property interests transferred by a decedent to a particular
 25 transferee equals the remainder of:

- 26 (1) the total fair market value of the property interests
 27 transferred by the decedent to the transferee under a taxable
 28 transfer or transfers; minus
 29 (2) the total amount of deductions provided under
 30 IC 6-4.1-3-13, IC 6-4.1-3-14, and IC 6-4.1-3-15, with respect
 31 to the property interests so transferred.

32 (c) The inheritance tax imposed on a decedent's transfer of
 33 property interests to a particular Class A transferee is prescribed
 34 in the following table:

| | | |
|----|------------------------|------------------------------|
| 35 | NET TAXABLE VALUE OF | |
| 36 | PROPERTY INTERESTS | |
| 37 | TRANSFERRED | INHERITANCE TAX |
| 38 | \$500,000 or less | 0% of net taxable value |
| 39 | over \$500,000 but not | |
| 40 | over \$700,000 | \$19,250, plus 6% of net |
| 41 | | taxable value over \$500,000 |
| 42 | over \$700,000 but not | |



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|---|--------------------------|--------------------------------|
| 1 | over \$1,000,000 | \$31,250, plus 7% of net |
| 2 | | taxable value over \$700,000 |
| 3 | over \$1,000,000 but not | |
| 4 | over \$1,500,000 | \$52,250, plus 8% of net |
| 5 | | taxable value over \$1,000,000 |
| 6 | over \$1,500,000 | \$92,250, plus 10% of net |
| 7 | | taxable value over \$1,500,000 |

8 (d) The inheritance tax imposed on a decedent's transfer of
 9 property interests to a particular Class B transferee is prescribed
 10 in the following table:

| 11 | NET TAXABLE VALUE OF | |
|----|------------------------|------------------------------|
| 12 | PROPERTY INTERESTS | |
| 13 | TRANSFERRED | INHERITANCE TAX |
| 14 | \$50,000 or less | 0% of net taxable value |
| 15 | over \$50,000 but not | |
| 16 | over \$100,000 | 7% of net taxable value |
| 17 | over \$100,000 but not | |
| 18 | over \$500,000 | \$7,000, plus 10% of net |
| 19 | | taxable value over \$100,000 |
| 20 | over \$500,000 but not | |
| 21 | over \$1,000,000 | \$47,000, plus 12% of net |
| 22 | | taxable value over \$500,000 |
| 23 | over \$1,000,000 | \$107,000, plus 15% of net |
| 24 | | taxable value over |
| 25 | | \$1,000,000 |

26 (e) The inheritance tax imposed on a decedent's transfer of
 27 property interests to a particular Class C transferee is prescribed
 28 in the following table:

| 29 | NET TAXABLE VALUE OF | |
|----|------------------------|--------------------------------|
| 30 | PROPERTY INTERESTS | |
| 31 | TRANSFERRED | INHERITANCE TAX |
| 32 | \$50,000 or less | 0% of net taxable value |
| 33 | over \$50,000 but not | |
| 34 | over \$100,000 | 10% of net taxable value |
| 35 | over \$100,000 but not | |
| 36 | over \$1,000,000 | \$10,000, plus 15% of net |
| 37 | | taxable value over \$100,000 |
| 38 | over \$1,000,000 | \$145,000, plus 20% of net |
| 39 | | taxable value over \$1,000,000 |

40 SECTION 8. IC 6-4.1-5-20 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2012]: Sec. 20. (a) This section applies to property interests



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1 transferred by a decedent who dies after June 30, 2014, but before
 2 July 1, 2015.

3 (b) For purposes of this section, the net taxable value of
 4 property interests transferred by a decedent to a particular
 5 transferee equals the remainder of:

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

9 (2) the total amount of deductions provided under
 10 IC 6-4.1-3-13, IC 6-4.1-3-14, and IC 6-4.1-3-15, with respect
 11 to the property interests so transferred.

12 (c) The inheritance tax imposed on a decedent's transfer of
 13 property interests to a particular Class A transferee is prescribed
 14 in the following table:

| 15 NET TAXABLE VALUE OF | |
|-----------------------------|-----------------------------------|
| 16 PROPERTY INTERESTS | |
| 17 TRANSFERRED | 18 INHERITANCE TAX |
| 19 \$700,000 or less | 20 0% of net taxable value |
| 21 over \$700,000 but not | |
| 22 over \$1,000,000 | 23 \$31,250, plus 7% of net |
| | 24 taxable value over \$700,000 |
| 25 over \$1,000,000 but not | |
| 26 over \$1,500,000 | 27 \$52,250, plus 8% of net |
| | 28 taxable value over \$1,000,000 |
| 29 over \$1,500,000 | 30 \$92,250, plus 10% of net |
| | 31 taxable value over \$1,500,000 |

32 (d) The inheritance tax imposed on a decedent's transfer of
 33 property interests to a particular Class B transferee is prescribed
 34 in the following table:

| 35 NET TAXABLE VALUE OF | |
|--------------------------|------------------------------|
| 36 PROPERTY INTERESTS | |
| 37 TRANSFERRED | 38 INHERITANCE TAX |
| 39 \$75,000 or less | 40 0% of net taxable value |
| 41 over \$75,000 but not | |
| 42 over \$100,000 | 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 |
| over \$1,000,000 | \$107,000, plus 15% of net |

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1 taxable value over
 2 \$1,000,000
 3 (e) The inheritance tax imposed on a decedent's transfer of
 4 property interests to a particular Class C transferee is prescribed
 5 in the following table:

| 6 NET TAXABLE VALUE OF 7 PROPERTY INTERESTS 8 TRANSFERRED | 9 INHERITANCE TAX |
|---|---|
| 9 \$75,000 or less | 0% of net taxable value |
| 10 over \$75,000 but not 11 over \$100,000 | 10% of net taxable value |
| 12 over \$100,000 but not 13 over \$1,000,000 | \$10,000, plus 15% of net 14 taxable value over \$100,000 |
| 15 over \$1,000,000 | \$145,000, plus 20% of net 16 taxable value over \$1,000,000 |

17 SECTION 9. IC 6-4.1-5-21 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 19 1, 2012]: Sec. 21. (a) This section applies to property interests
 20 transferred by a decedent who dies after June 30, 2015, but before
 21 July 1, 2016.

22 (b) For purposes of this section, the net taxable value of
 23 property interests transferred by a decedent to a particular
 24 transferee equals the remainder of:

- 25 (1) the total fair market value of the property interests
 26 transferred by the decedent to the transferee under a taxable
 27 transfer or transfers; minus
- 28 (2) the total amount of deductions provided under
 29 IC 6-4.1-3-13, IC 6-4.1-3-14, and IC 6-4.1-3-15, with respect
 30 to the property interests so transferred.

31 (c) The inheritance tax imposed on a decedent's transfer of
 32 property interests to a particular Class A transferee is prescribed
 33 in the following table:

| 34 NET TAXABLE VALUE OF 35 PROPERTY INTERESTS 36 TRANSFERRED | 37 INHERITANCE TAX |
|--|--|
| 37 \$1,000,000 or less | 0% of net taxable value |
| 38 over \$1,000,000 but not 39 over \$1,500,000 | \$52,250, plus 8% of net 40 taxable value over \$1,000,000 |
| 41 over \$1,500,000 | \$92,250, plus 10% of net 42 taxable value over \$1,500,000 |

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1 (d) The inheritance tax imposed on a decedent's transfer of
2 property interests to a particular Class B transferee is prescribed
3 in the following table:

| | | |
|----|-----------------------------|------------------------------|
| 4 | NET TAXABLE VALUE OF | |
| 5 | PROPERTY INTERESTS | |
| 6 | TRANSFERRED | INHERITANCE TAX |
| 7 | \$100,000 or less | 0% of net taxable value |
| 8 | over \$100,000 but not | |
| 9 | over \$500,000 | \$7,000, plus 10% of net |
| 10 | | taxable value over \$100,000 |
| 11 | over \$500,000 but not | |
| 12 | over \$1,000,000 | \$47,000, plus 12% of net |
| 13 | | taxable value over \$500,000 |
| 14 | over \$1,000,000 | \$107,000, plus 15% of net |
| 15 | | taxable value over |
| 16 | | \$1,000,000 |

17 (e) The inheritance tax imposed on a decedent's transfer of
18 property interests to a particular Class C transferee is prescribed
19 in the following table:

| | | |
|----|-----------------------------|--------------------------------|
| 20 | NET TAXABLE VALUE OF | |
| 21 | PROPERTY INTERESTS | |
| 22 | TRANSFERRED | INHERITANCE TAX |
| 23 | \$100,000 or less | 0% of net taxable value |
| 24 | over \$100,000 but not | |
| 25 | over \$1,000,000 | \$10,000, plus 15% of net |
| 26 | | taxable value over \$100,000 |
| 27 | over \$1,000,000 | \$145,000, plus 20% of net |
| 28 | | taxable value over \$1,000,000 |

29 SECTION 10. IC 6-4.1-5-22 IS ADDED TO THE INDIANA CODE
30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
31 1, 2012]: **Sec. 22. (a) This section applies to property interests**
32 **transferred by a decedent who dies after June 30, 2016.**

33 (b) For purposes of this section, the net taxable value of
34 property interests transferred by a decedent to a particular
35 transferee equals the remainder of:

- 36 (1) the total fair market value of the property interests
- 37 transferred by the decedent to the transferee under a taxable
- 38 transfer or transfers; minus
- 39 (2) the total amount of deductions provided under
- 40 IC 6-4.1-3-13, IC 6-4.1-3-14, and IC 6-4.1-3-15, with respect
- 41 to the property interests so transferred.

42 (c) The inheritance tax imposed on a decedent's transfer of

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1 property interests to a particular Class A transferee is prescribed
2 in the following table:

| 3 NET TAXABLE VALUE OF | |
|----------------------------|--------------------------------|
| 4 PROPERTY INTERESTS | |
| 5 TRANSFERRED | 6 INHERITANCE TAX |
| 6 \$1,000,000 or less | 0% of net taxable value |
| 7 over \$1,000,000 but not | |
| 8 over \$1,500,000 | \$52,250, plus 4% of net |
| 9 | taxable value over \$1,000,000 |
| 10 over \$1,500,000 | \$92,250, plus 5% of net |
| 11 | taxable value over \$1,500,000 |

12 (d) The inheritance tax imposed on a decedent's transfer of
13 property interests to a particular Class B transferee is prescribed
14 in the following table:

| 15 NET TAXABLE VALUE OF | |
|---------------------------|------------------------------|
| 16 PROPERTY INTERESTS | |
| 17 TRANSFERRED | 18 INHERITANCE TAX |
| 18 \$100,000 or less | 0% of net taxable value |
| 19 over \$100,000 but not | |
| 20 over \$500,000 | \$7,000, plus 5% of net |
| 21 | taxable value over \$100,000 |
| 22 over \$500,000 but not | |
| 23 over \$1,000,000 | \$47,000, plus 6% of net |
| 24 | taxable value over \$500,000 |
| 25 over \$1,000,000 | \$107,000, plus 7.5% of net |
| 26 | taxable value over |
| 27 | \$1,000,000 |

28 (e) The inheritance tax imposed on a decedent's transfer of
29 property interests to a particular Class C transferee is prescribed
30 in the following table:

| 31 NET TAXABLE VALUE OF | |
|---------------------------|--------------------------------|
| 32 PROPERTY INTERESTS | |
| 33 TRANSFERRED | 34 INHERITANCE TAX |
| 34 \$100,000 or less | 0% of net taxable value |
| 35 over \$100,000 but not | |
| 36 over \$1,000,000 | \$10,000, plus 7.5% of net |
| 37 | taxable value over \$100,000 |
| 38 over \$1,000,000 | \$145,000, plus 10% of net |
| 39 | taxable value over \$1,000,000 |



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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 293, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 12, delete lines 40 through 42.

Delete pages 13 through 17.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 293 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

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