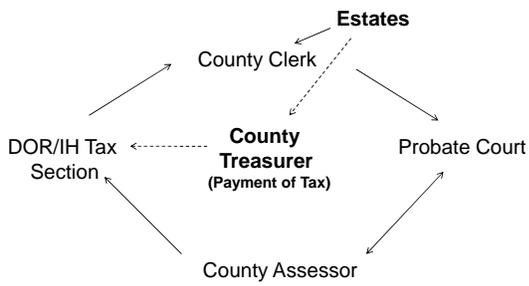


**Indiana Inheritance Tax
County Treasurers Conference
August 4, 2011**

Wednesday, July 27, 2011

**Processing Inheritance Tax
Returns**



Wednesday, July 27, 2011

County Clerk >> County Probate Court

Ind. Code 6-4.1-4-1

- Inheritance Tax Return (Form IH-6) required to be filed within 9 months of decedent's death
- On forms prescribed by Department of Revenue

Wednesday, July 27, 2011

County Probate Court > > County Assessor

Ind. Code 6-4.1-5-2

- Probate court to refer IH-6 to County Assessor within 10 days after it is filed with the court

Wednesday, July 27, 2011

County Assessor

Ind. Code 6-4.1-5-2

Statutory Duties:

- Investigate facts regarding taxable transfers made by the decedent prior to his death
- Review the Return for mistakes and omissions, and
- Appraise each property interest at its fair market value

Wednesday, July 27, 2011

County Assessor > > County Probate Court

Ind. Code 6-4.1-5-6

- If everything is in order the Assessor files a **Report of Appraiser** with the Probate Court

Wednesday, July 27, 2011

County Probate Court

Ind. Code 6-4.1-5-10 - - 11

- Court determines fair market value of the property interests transferred and the amount of IH Tax due
- Court enters Order to this effect on the form prescribed by DOR (Form IH-9) and has Order spread of record in Clerk's Office
- Court mails copy of Order to DOR and County Treasurer – Order is confidential**

Wednesday, July 27, 2011

Order (Form IH-9) is Confidential

Ind. Code 6-4.1-5-10 - - 11 and 6-4.1-12-12

- Court Order cannot be disclosed to the public
- Court Orders must be filed in a location where the public does not have access to them
- Disclosing contents of Orders is a Class C misdemeanor**

Wednesday, July 27, 2011

Payment of Inheritance Tax

Ind. Code 6-4.1-9-5

- Tax paid to the **County Treasurer** where the decedent was domiciled at the time of his or her death
- County Treasurer** issues a receipt and sends the white copy to DOR
- Don't have to have a Court Order (Form IH-9) in order for an estate to pay any tax

Wednesday, July 27, 2011

Early Payment of Inheritance Tax

Ind. Code 6-4.1-9-2

- Tax is due 12 months from the decedent's date of death
- Estate/Transferee entitled to 5% discount if tax paid within 9 months of decedent's date of death
- Many Estates/Transferees want to make early payments so they can obtain this 5% discount

Wednesday, July 27, 2011

Nine Months Chart

January = October	July = April
February = November	August = May
March = December	September = June
April = January	October = July
May = February	November = August
June = March	December = September

Wednesday, July 27, 2011

Late Payment of Inheritance Tax

Ind. Code 6-4.1-9-1

- Tax is due 12 months from the decedent's date of death
- 10% interest is due if tax paid after 12 months – calculated from decedent's date of death to date of payment
- If "unavoidable delay" in paying the tax, the court can issue an order reducing interest to 6% - calculated from the date of death until cause of delay is removed – 10% thereafter – need copy of court's order

Wednesday, July 27, 2011

Late Filing of IH Tax Return

Ind. Code 6-4.1-4-6

- Return is due 9 months from the decedent's date of death
- Court is to assess a penalty of \$0.50 per day up to a maximum of \$50
- If "justifiable excuse" for not filing the return when due, the court can issue an order waiving the penalty – need copy of court's order

Wednesday, July 27, 2011

Penalty Chart

Day	Amount	Day	Amount	Day	Amount
1	.50	40	20.00	79	39.50
2	1.00	41	20.50	80	40.00
3	1.50	42	21.00	81	40.50
4	2.00	43	21.50	82	41.00
5	2.50	44	22.00	83	41.50
6	3.00	45	22.50	84	42.00
7	3.50	46	23.00	85	42.50
8	4.00	47	23.50	86	43.00
9	4.50	48	24.00	87	43.50
10	5.00	49	24.50	88	44.00
11	5.50	50	25.00	89	44.50
12	6.00	51	25.50	90	45.00
13	6.50	52	26.00	91	45.50
14	7.00	53	26.50	92	46.00
15	7.50	54	27.00	93	46.50
16	8.00	55	27.50	94	47.00
17	8.50	56	28.00	95	47.50
18	9.00	57	28.50	96	48.00
19	9.50	58	29.00	97	48.50
20	10.00	59	29.50	98	49.00
21	10.50	60	30.00	99	49.50
22	11.00	61	30.50	100	50.00
23	11.50	62	31.00		
24	12.00	63	31.50		
25	12.50	64	32.00		
26	13.00	65	32.50		
27	13.50	66	33.00		
28	14.00	67	33.50		
29	14.50	68	34.00		
30	15.00	69	34.50		
31	15.50	70	35.00		
32	16.00	71	35.50		
33	16.50	72	36.00		
34	17.00	73	36.50		
35	17.50	74	37.00		
36	18.00	75	37.50		
37	18.50	76	38.00		
38	19.00	77	38.50		
39	19.50	78	39.00		

Wednesday, July 27, 2011

Timely Paid or Filed

Ind. Code 6-4.1-6-3 and Ind. Trail Rule 5(B)(2)

- "Service shall be deemed complete upon mailing."
- DOR follows the "Mail Box Rule" – i.e. if the payment is postmarked by the due date, it is timely paid
- Estate/Transferee may need to provide documentation that the payment was timely paid

Wednesday, July 27, 2011

Allocation of IH Tax

Ind. Code 6-4.1-9-6

- County Treasurer** transfers quarterly 8% to county general fund and 92% to state of all IH tax collected – also all interest and penalties collected
- January 1, April 1, July 1 and October 1
- If consolidated city, the amount due the county is to be transferred to the city's general fund

Wednesday, July 27, 2011

Quarterly Reports

Ind. Code 6-4.1-9-7(a)

- County Treasurer** prepares and sends quarterly report to DOR – January 1, April 1, July 1 and October 1
- Form No. 13 and Form No. 13L (State Board of Accounts)
 - Amount of IH Tax collected during previous 3 months
 - Indicate estates for which taxes were paid

Wednesday, July 27, 2011

Quarterly Warrants

Ind. Code 6-4.1-9-7(b)

- County Auditor issues warrant to the State Treasurer for the amount of IH Taxes, interest and penalties collected for previous 3 months – January 1, April 1, July 1 and October 1
- County Treasurer** stamps and countersigns warrant
- County Treasurer** sends warrant to DOR within 30 days after close of each quarter

Wednesday, July 27, 2011

Disposition of Warrants

Ind. Code 6-4.1-9-8

- DOR receipts and accounts for each warrant received from the counties and forward warrant to State Treasurer
- State Treasurer deposits warrants in the Inheritance Tax Account of the state general fund
- Each month State Auditor issues quietus to DOR for the money collected under Ind. Code 6-4.1-9-7(b)

Wednesday, July 27, 2011

Audit of Quarterly Reports

Ind. Code 6-4.1-9-9

- DOR audits the required quarterly reports from the counties
- If shortage, DOR notifies the appropriate County Treasurer and Auditor which shall promptly issue a warrant to State Treasurer for the balance due
- If overpayment, DOR issues refund

Wednesday, July 27, 2011

IH Tax Receipt

Indiana Department of Revenue
1996750

County of _____ Serial Number _____

Amount of _____

CONSOLIDATION OF AMOUNTS DUE

1. Tax amount due	
2. Tax previously credited on this return - Receipts	
3. General Excise Tax credit	
4. Interest due on 4% per annum for _____	
5. Total amount due	
6. Amount paid by the county	
7. Balance due to the State	

Signature: _____ Date: _____

Wednesday, July 27, 2011
