

**CHAPTER 140****DISTRIBUTION OF ESTATES BY AFFIDAVIT — TAXATION****S.F. 523**

**AN ACT** relating to the size of an estate that may be distributed by affidavit, making related inheritance tax changes, and providing for the Act's applicability.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 450.4, subsection 1, Code 2001, is amended to read as follows:

1. When the entire estate of the decedent does not exceed the sum of ~~ten~~ twenty-five thousand dollars after deducting the liabilities, as defined in this chapter.

Sec. 2. Section 450.44, Code 2001, is amended to read as follows:

**450.44 REMAINDERS — VALUATION.**

When a person whose estate over and above the amount of that person's liabilities, as defined in this chapter, exceeds the sum of ~~ten~~ twenty-five thousand dollars, bequeaths, devises, or otherwise transfers real property to or for the use of persons exempt from the tax imposed by this chapter, during life or for a term of years and the remainder to persons not thus exempt, this property, upon the determination of the estate for life or years, shall be valued at its then actual market value from which shall be deducted the value of any improvements on it made by the person who owns the remainder interest during the time of the prior estate, to be determined as provided in section 450.37, subsection 1, paragraph "a", and the tax on the remainder shall be paid by the person who owns the remainder interest as provided in section 450.46.

Sec. 3. Section 633.356, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

When the gross value of the decedent's personal property does not exceed ~~ten~~ twenty-five thousand dollars and there is no real property or the real property passes to ~~a surviving spouse~~ persons exempt from inheritance tax pursuant to section 450.9 as joint ~~tenant~~ tenants with right of survivorship, and if forty days have elapsed since the death of the decedent, the successor of the decedent as defined in subsection 2 may, by filing an affidavit prepared pursuant to subsection 3, and without procuring letters of appointment, do any of the following with respect to one or more particular items of personal property:

Sec. 4. Section 633.356, subsection 3, paragraph c, Code 2001, is amended to read as follows:

c. That the gross value of the decedent's personal property does not exceed ~~ten~~ twenty-five thousand dollars and there is no real property or the real property passes to ~~a surviving spouse~~ persons exempt from inheritance tax pursuant to section 450.9 as joint ~~tenant~~ tenants with right of survivorship.

Sec. 5. **APPLICABILITY.** This Act applies to estates of decedents dying on or after July 1, 2001.

Approved May 16, 2001