

House File 448 - Introduced

HOUSE FILE _____
BY PAULSEN, STRUYK, and
UPMEYER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act eliminating the inheritance tax on property passing to
2 relatives related to the decedent within the third degree of
3 consanguinity or affinity and including an applicability date
4 provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2022HH 82
7 mg/gg/14

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1 1 Section 1. Section 450.7, subsection 1, unnumbered
1 2 paragraph 1, Code 2007, is amended to read as follows:
1 3 Except for the share of the estate passing to the surviving
1 4 spouse, and parents, grandparents, great-grandparents, and
1 5 other lineal ascendants, children including legally adopted
1 6 children and biological children entitled to inherit under the
1 7 laws of this state, stepchildren, and grandchildren,
1 8 great-grandchildren, and other lineal descendants, and passing
1 9 to other individuals related within the third degree of

1 10 consanguinity or affinity, the tax is a charge against and a
1 11 lien upon the estate subject to tax under this chapter, and
1 12 all property of the estate or owned by the decedent from the
1 13 death of the decedent until paid, subject to the following
1 14 limitation:

1 15 Sec. 2. Section 450.9, Code 2007, is amended to read as
1 16 follows:

1 17 450.9 INDIVIDUAL EXEMPTIONS.

1 18 In computing the tax on the net estate, the entire amount
1 19 of property, interest in property, and income passing to the
1 20 surviving spouse, and parents, grandparents,
1 21 great-grandparents, and other lineal ascendants, children
1 22 including legally adopted children and biological children
1 23 entitled to inherit under the laws of this state,
1 24 stepchildren, and grandchildren, great-grandchildren, and
1 25 other lineal descendants, and passing to other individuals
1 26 related within the third degree of consanguinity or affinity,
1 27 are exempt from tax.

1 28 Sec. 3. Section 450.10, subsection 1, Code 2007, is
1 29 amended by striking the subsection.

1 30 Sec. 4. Section 450.10, subsection 2, unnumbered paragraph
1 31 1, Code 2007, is amended to read as follows:

1 32 When the property or interest in property or income from
1 33 property, taxable under this chapter, passes to a person not
1 34 included in ~~subsections 1 and subsection 6~~, the rate of tax
1 35 imposed on the individual share so passing shall be as

2 1 follows:

2 2 Sec. 5. Section 450.10, subsection 5, Code 2007, is
2 3 amended by striking the subsection.

2 4 Sec. 6. Section 450.10, subsection 6, Code 2007, is
2 5 amended to read as follows:

2 6 6. Property, interest in property, or income passing to
2 7 the surviving spouse, and parents, grandparents,
2 8 great-grandparents, and other lineal ascendants, children
2 9 including legally adopted children and biological children
2 10 entitled to inherit under the laws of this state,
2 11 stepchildren, and grandchildren, great-grandchildren, and
2 12 other lineal descendants, and passing to other individuals
2 13 related within the third degree of consanguinity or affinity,
2 14 is not taxable under this section.

2 15 Sec. 7. APPLICABILITY DATE. This Act applies to estates
2 16 of decedents dying on or after July 1, 2007.

2 17 EXPLANATION

2 18 This bill exempts from the inheritance tax property,
2 19 interest in property, or income passing to individuals related
2 20 to the decedent within the third degree of consanguinity
2 21 (blood) or affinity (marriage) under the civil law. Many of
2 22 the individuals related within the third degree of
2 23 consanguinity are presently not subject to tax. The bill adds
2 24 to this list the siblings, uncles and aunts, and nephews and
2 25 nieces. Under present law only the surviving spouse is exempt
2 26 from tax while all other individuals related by marriage must
2 27 pay tax. The bill exempts the spouse's parents, grandparents,
2 28 great-grandparents, grandchildren, great-grandchildren,
2 29 uncles, aunts, siblings, nephews, and nieces.
2 30 The bill applies to estates of decedents dying on or after
2 31 July 1, 2007.
2 32 LSB 2022HH 82
2 33 mg:rj/gg/14