

February 26, 1953.
Passed on File.

July 1, 3/9 h/c Passage 3/30

Senate File 345
By VEST.

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

A BILL FOR

An Act relating to equitable apportionment of federal estate tax.

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

1 Section 1. Whenever it appears upon any accounting, or in
2 any appropriate action or proceeding, that an executor, adminis-
3 trator, trustee or other person acting in a fiduciary capacity,
4 has paid or may be required to pay an estate tax levied or assessed
5 under the provisions of this chapter, or under the provisions of
6 any estate tax law of the United States heretofore or hereafter
7 enacted, upon or with respect to any property required to be
8 included in the gross estate of a decedent under the provisions
9 of any such law, the amount of the tax so paid or payable, except
10 as otherwise directed or provided in the decedent's will, and
11 where all or part of a fund created by written instrument executed
12 inter vivos is included in the gross estate, except as otherwise
13 provided in such written instrument, or amendment thereof, shall
14 be equitably apportioned and prorated among the persons interested
15 in the estate. Such apportionment and proration shall be made in
16 the proportion as near as may be that the value of the property,
17 interest or benefit of each such person bears to the total value

18 of the property, interests and benefits received by all such
19 persons interested in the estate; provided, that it shall accord
20 with applicable estate tax laws of the United States where such
21 laws specify with respect to an apportionment. In making such appor-
22 tionment and proration allowance shall be made for any exemptions
23 granted by the act imposing the tax, and for any deductions allowed
24 by such act for the purpose of arriving at the value of the net
25 estate; and in cases where a trust is created or other provisions
26 made whereby any person is given an interest in income or an estate
27 for years, or for life, or other temporary interest in any property
28 or fund, the tax on both such temporary interest and on the re-
29 mainder thereafter shall be charged against and paid out of
30 the corpus of such property or fund without apportionment between
31 remainders and temporary estates. For the purposes of this
32 section, the term "persons interested in the estate" shall, with
33 respect to both state and federal taxes, include all persons who
34 may be entitled to receive or who have received any property or
35 interest which is so required to be included in the gross estate
36 of a decedent, or any benefit whatsoever with respect to any such
37 property or interest, whether under a will or intestacy, or by
38 reason of any transfer, trust, estate, interest, right, power,
39 relinquishment of power, or otherwise, taxable under any of the
40 aforementioned laws but shall not include any bank, trust company
41 or other banking institution in so far as it is the depository of
42 any account standing in the joint names of the decedent and any
43 other person.

1 Amend Senate File 345 by striking the period (.) at the end
2 thereof and substituting therefor the following: "; provided,
3 that this act shall not authorize the recovery of any taxes
4 hereunder from any company issuing (a) any policy of insurance,
5 annuity or endowment contract on the life of or insuring the
6 decedent, including accident and health policies, or (b)
7 any such policy or contract insuring the decedent and one or
8 more other persons jointly, or (c) any such policy or
9 contract on the life of or insuring one or more persons
10 other than the decedent in which the decedent owned any
11 interest at the time of his death."

Filed

March 27, 1953.

By BERMAN.
