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Senate File 340

By DeKOSTER, MILLS and DENMAN

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

A BILL FOR

An Act to repeal the inheritance tax law and enact a substitute therefor.

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

1 Sections four hundred fifty point one (450.1) through four
2 hundred fifty point ninety-seven (450.97), inclusive, Code 1966,
3 are hereby repealed and the following enacted in lieu thereof.

1 Section 1. Definitions. For the purpose of this chapter,
2 and unless otherwise required by the context:

3 1. The word "child" includes both sons and daughters, and
4 includes an adopted child, but does not include a grandchild or
5 other more remote descendants; it includes an illegitimate child
6 only if entitled to inherit under the law of this state or, in
7 the case of a nonresident decedent, an illegitimate child enti-
8 tled to inherit transfers taxable under this chapter under the
9 law of the state of decedent's residence.

10 2. The word "decedent" includes the testator, intestate,
11 grantor, bargainor, vendor or donor.

12 3. The words "estate" and "property" mean the real and per-
13 sonal property or the interest therein of the decedent passing
14 or transferred to legatees, devisees, heirs, next of kin,
15 grantees, donees, vendees or successors, and include all personal
16 property within or without the state.

17 4. The word "fiduciary" includes executor, administrator,
18 temporary administrator, guardian of the property, conservator,
19 and trustee.

20 5. The term "Internal Revenue Code of 1954" shall have the

21 same meaning as under section four hundred twenty-two point four
22 (422.4) of the Code; ordinarily it shall have the same meaning as
23 under that section on the date of death of the decedent in connec-
24 tion with whose estate the inheritance tax is being determined.

25 6. The term "the intestate laws of this or any other state"
26 includes any statutory rights and allowances to a child, the
27 intestate share, homestead and other statutory rights of a surviv-
28 ing spouse, and any other rights acquired by contract in lieu of
29 the intestate share or statutory rights; but it does not include
30 allowances under Iowa probate Code sections six hundred thirty-
31 three point three hundred seventy-four (633.374) or six hundred
32 thirty-three point three hundred seventy-six (633.376), nor dam-
33 ages for wrongful death of the decedent which by statute accrue
34 to his estate or to his survivors.

35 7. The word "nonresident" includes all individuals who are
36 not residents within the meaning of subsection ten (10) hereof.

37 8. The word "parent" includes father, mother, ancestor or
38 ancestress.

39 9. The word "person" shall include plural as well as singular,
40 and artificial as well as natural persons.

41 10. The word "resident" includes any individual domiciled in
42 the state.

43 11. The terms "State Tax Commission", "Tax Commission", or
44 "Commission" shall mean the commission created by section four
45 hundred twenty-one point one (421.1) of the Code.

46 12. The word "transfer" includes the passing of property or
47 any interest therein in possession or enjoyment, present or
48 future, by inheritance, descent, devise, succession, bequest,
49 grant, deed, bargain, sale, gift, appointment or by operation
50 of law in any other manner.

1 Sec. 2. Tax imposed upon taxable transfers. Upon the death
2 of the person making the transfer a tax shall be and hereby is
3 imposed upon any transfer of property, or income therefrom, in
4 trust or otherwise, to any person, association, or corporation,
5 in the following cases, except as hereinafter provided:

6 1. When the transfer is by will or by the intestate laws
7 of this or any other state, from any person dying possessed of
8 the property or the interest therein while a resident of this
9 state.

10 2. When the transfer is by will or by the intestate laws
11 of this or any other state, of property or interests therein
12 within this state or within its jurisdiction, from any person
13 dying possessed thereof while a nonresident of this state.

14 3. When the transfer is by deed, grant, sale, gift, or other-
15 wise, of property or interests therein, from a resident of this
16 state, or from a nonresident when the property or interest therein
17 is within this state or within its jurisdiction, and the trans-
18 fer was made in contemplation of death. A transfer shall be
19 deemed to be in contemplation of death when it would be so deemed
20 under the Internal Revenue Code of 1954.

21 4. When the transfer is by deed, grant, sale, gift, or other-
22 wise, of property or interests therein, from a resident of this
23 state, or from a nonresident when the property or interest therein
24 is within this state or within its jurisdiction, for less than
25 an adequate and full consideration in money or money's worth,
26 and the grantor, vendor, or donor has retained for his life, for
27 any period not ascertainable without reference to his death, or
28 for any period which does not in fact end before his death:

29 a. The possession or enjoyment of, or the right to the in-
30 come or to economic benefit from, the property; or

31 b. The right, either alone or in conjunction with any person,
32 to alter, amend, revoke or terminate such transfer, or to desig-
33 nate the beneficiary who shall possess or enjoy the property, or
34 the income or economic benefit therefrom; or

35 c. Such an interest that, under section two thousand thirty-
36 seven (2037) of the Internal Revenue Code of 1954 the property or
37 interest transferred would be includible in his gross estate for
38 purposes of federal estate tax.

39 5. Whenever any person who is a resident of this state, or
40 who is a nonresident and the property involved is within this

41 state or within its jurisdiction, shall exercise a general
42 power of appointment derived from any disposition of property,
43 made either before or after the passage of this chapter, such
44 appointment, when made, shall be deemed a transfer taxable under
45 the provisions of this chapter, in the same manner as though the
46 property to which such appointment relates belonged absolutely
47 to the donee of such power; and whenever any person possessing
48 such general power of appointment so derived shall omit or fail
49 to exercise the same, within the time provided therefor, in whole
50 or in part, a transfer taxable under the provisions of this chap-
51 ter shall be deemed to take place to the extent of such omissions
52 or failures in the same manner as though the person or persons
53 thereby becoming entitled to the possession or enjoyment of the
54 property to which such power related had succeeded thereto by the
55 will of the donee of the power failing to exercise such power,
56 taking effect at the time of such omission or failure. The ex-
57 ercise of the general power of appointment, to be a taxable trans-
58 fer under this chapter, must be by a transfer which, if donee
59 owned absolutely the property to which the power related, would
60 be a taxable transfer under subsections one (1), two (2), three
61 (3) or four (4) of this section. The term "general power of ap-
62 pointment" means a power which would be a general power of appoint-
63 ment under the Internal Revenue Code of 1954. However, if a gen-
64 eral power of appointment was created before July 1, 1965, and
65 has been partially released so that it is no longer a general
66 power of appointment, it shall not be treated as a general power
67 of appointment under this chapter provided the partial release
68 occurred within three years after July 1, 1967 or, if the donee
69 of such power was under a legal disability to release such power
70 during that three-year period, the partial release occurred either
71 within that period or not later than six months after the termi-
72 nation of such legal disability.

73 6. When a resident decedent possessed an annuity or other
74 payment the value of which would, under section two thousand
75 thirty-nine (2039) of the Internal Revenue Code of 1954, be

76 includible or exempted from inclusion in his gross estate for
77 federal estate tax purposes, only the amount so includible shall
78 be considered as, and it shall be deemed to be the value of, a
79 transfer of such property subject to tax under this chapter.

80 7. When decedent and any other person or persons held an
81 interest in property as co-owners in any manner (including but
82 not limited to joint tenancy, tenancy by the entirety, community
83 property, or by virtue of designation as co-owner or beneficiary
84 of a bond issued by the United States government), or a deposit
85 with any person carrying on a banking business or other insti-
86 tution in their joint names and payable to either or the sur-
87 vivor, which interest or deposit if owned absolutely by the
88 decedent would be includible in decedent's gross estate for fed-
89 eral estate tax purposes under section two thousand forty (2040)
90 of the Internal Revenue Code of 1954, the amount that would be
91 so includible under that section shall be deemed the value of a
92 transfer of property subject to tax under this chapter.

93 8. When the transfer is by deed, grant, sale, gift, or other-
94 wise, of property or interests therein, from a resident of this
95 state, or from a nonresident when the property or interest therein
96 is within this state or within its jurisdiction, for less than
97 an adequate and full consideration in money or money's worth, to
98 take effect at transferor's death, with a request, secret or
99 otherwise, that the beneficiary give, pay to or share the prop-
100 erty or any interest therein received from transferor, with other
101 person or persons, or to so dispose of beneficial interests con-
102 ferred by the transferor upon the beneficiaries that the property
103 so passing would be taxable under the provisions of this chapter
104 if passing from transferor directly to those to receive the gift
105 from the beneficiary, compliance with such request shall consti-
106 tute a transfer taxable under the provisions of this chapter, at
107 the highest rate possible in like cases of transfers by will, deed,
108 grant, sale, gift or otherwise.

1 Sec. 3. Tax imposed--tax base. The tax imposed by this chap-
2 ter shall be upon the fair market value of the taxable transfers,

3 interest therein, or right to income therefrom, less the exclus-
4 ions, deductions and exemptions provided in this chapter, at the
5 rates hereinafter prescribed, and shall go into the general fund.

1 Sec. 4. Exemptions. The following transfers are exempt from
2 the tax imposed by this chapter.

3 1. Any transfers which under the Constitutions of the United
4 States or of the state of Iowa cannot be subjected to such tax.

5 2. Any transfers of personal property of a nonresident de-
6 cedent made taxable under this chapter, except tangible personal
7 property having an actual situs in this state, if the decedent at
8 the time of his death was a resident of a state or territory of
9 the United States which at the time of his death did not impose
10 a transfer tax or death tax of any character in respect to per-
11 sonal property of residents of this state (other than tangible
12 personal property having an actual situs in such state or terri-
13 tory), or the laws of the state or territory of residence of the
14 decedent at the time of his death contained a reciprocal provision
15 under which nonresidents were exempted from transfer taxes or
16 death taxes of every character in respect of personal property
17 (other than tangible personal property having an actual situs
18 therein) provided the state or territory of residence of such non-
19 residents allowed a similar exemption to residents of the state
20 or territory of residence of such decedent. For the purposes of
21 this section the District of Columbia and possessions of the
22 United States shall be considered territories of the United States.

23 3. Any transfers when the taxable transfers of the decedent
24 do not exceed the sum of one thousand dollars, after deducting
25 the debts as defined in this chapter.

26 4. Any transfers which are for public, charitable and reli-
27 gious uses and would be deductible for federal estate tax purposes
28 under section two thousand fifty-five (2055) of the Internal
29 Revenue Code of 1954.

30 5. Any transfers by bequest for the care and maintenance of
31 the cemetery or burial lot of the decedent or his family, and by
32 bequests not to exceed five hundred dollars in any estate of a

33 decedent for the performance of a religious service or services
34 by some person regularly ordained, authorized, or licensed by
35 some religious society to perform such service, which service
36 or services are to be performed for or in behalf of the testator
37 or some person named in his will.

38 6. Any transfers by the use of life insurance, on the life
39 of the decedent, whether receivable or received by the executor
40 or administrator of decedent's estate or by any other beneficiary.

41 7. If any one of the transfers, trusts, interest, rights, or
42 powers enumerated and described in section two (2) of this chap-
43 ter is made, created exercised, or relinquished for a consider-
44 ation in money or money's worth, but is not a bona fide sale for
45 an adequate and full consideration in money or money's worth,
46 there shall be included as the value of that transfer only the
47 excess of the fair market value at the time of death of the prop-
48 erty otherwise to be included on account of such transaction,
49 over the value of the consideration received therefor by the
50 decedent. A relinquishment or promised relinquishment of dower,
51 curtesy, intestate share, or other marital rights in the decedent's
52 property or estate, shall not be considered to any extent a con-
53 sideration "in money or money's worth."

1 Sec. 5. Deductions.

2 1. There shall be deducted from the gross value of the de-
3 cedent's estate, as fixed by the inheritance tax appraisers ap-
4 pointed under the provisions of this chapter or as otherwise fixed
5 under the provisions of this chapter, the debts, defined as fol-
6 lows:

7 a. In the case of a resident decedent, the debts owing by
8 him at the time of his death (including contingent claims which
9 become fixed as to obligation or amount within eighteen months
10 from the time of his death); the local and state taxes due from
11 decedent or on his property in the year of his death; federal
12 taxes owing by the decedent; federal estate taxes on decedent's
13 estate (except that this deduction shall be limited to the propor-
14 tion of the total tax which the property included both in the

15 gross estate for federal tax purposes and as taxable property
16 under this chapter bears to said gross estate); a reasonable sum
17 for funeral expenses, allowances for the surviving spouse or minor
18 children as granted under Iowa Probate Code, sections six hundred
19 thirty-three point three hundred seventy-four (633.374) through
20 six hundred thirty-three point three hundred seventy-seven
21 (633.377); in connection with the sale of property of the estate
22 includible as taxable property under this chapter, real estate or
23 brokerage commissions, abstract fees and auction expense; court
24 costs; the costs of appraisement made for the purpose of assess-
25 ing the inheritance tax; the fee of executors, administrators, or
26 trustees as allowed by order of court; the amount paid by the
27 executor or administrator for a bond; the attorney fee in a rea-
28 sonable amount to be approved by the court for the probate proceed-
29 ings in said estate; and no other sum; but not including debts of
30 the decedent owing for or secured by property not subject to or
31 exempt from inheritance tax under this chapter, except when and
32 to the extent that such debt exceeds the value of the property
33 securing it or for which it was contracted. When the excess of
34 such debt is to be deducted satisfactory proof of the value of
35 the property securing it and the amount of the debt must be fur-
36 nished to the state tax commission. No debt may be deducted un-
37 less it is paid or allowed as provided by the Iowa Probate Code
38 within eighteen (18) months from the death of the decedent, unless
39 otherwise ordered by the judge or court of the proper county. No
40 debt which has been claimed as a deduction for Iowa income tax
41 purposes on any income tax return of the decedent or of his estate
42 may be deducted for purposes of inheritance tax, except a debt of
43 the decedent deductible for federal income tax purposes under sec-
44 tion six hundred ninety-one (691) of the Internal Revenue Code
45 of 1954, concerning income in respect of decedents.

46 b. In the case of a nonresident decedent, debts and expenses
47 of the type enumerated in subsection "a" which under the laws of
48 this state are chargeable to property subject to tax under this
49 chapter, provided that in the event that the executor, adminis-

50 trator, or trustee of such foreign estate files with the clerk
51 of court having ancillary jurisdiction and with the state tax
52 commission, or with the state tax commission in case there is
53 no administration of the estate within this state, a duly cer-
54 tified statement exhibiting the true market value of the entire
55 estate of the decedent owner, and the indebtedness for which
56 the said estate has been adjudged liable, which statement shall
57 be duly attested by the judge of the court having original juris-
58 diction, the beneficiaries of the said estate shall then be en-
59 titled to have deducted such proportion of the said indebtedness
60 of the decedent from the value of the property as the value of
61 the property within this state bears to the value of the entire
62 estate, subject, insofar as possible, to any limitations on
63 deduction of debts specified in subsection "a".

64 2. Debts, otherwise deductible under subsection one (1),
65 shall not be deductible if they have been or will be satisfied
66 directly or indirectly by the use of property which is exempt
67 from inheritance tax under section four (4) of this chapter or
68 which is not subjected to inheritance tax by section two (2)
69 of this chapter.

1 Sec. 6. Individual exemptions. In computing the tax on the
2 taxable transfers passing to the surviving spouse, heirs or bene-
3 ficiaries of the deceased the following credits or exemptions
4 shall be allowed:

5 1. Surviving spouse, forty thousand (40,000) dollars.

6 2. Each child, fifteen thousand (15,000) dollars.

7 3. Each parent, ten thousand (10,000) dollars.

8 4. Any other lineal descendant of the decedent, five thou-
9 sand dollars.

1 Sec. 7. Rate of tax. The taxable transfers subject to the
2 provisions of this chapter shall be taxed as herein provided:

3 1. When such transfers pass to the spouse of the deceased,
4 grantor, donor, or vendor, or to a parent, or to any child or
5 lineal descendant of such decedent, grantor, donor or vendor,
6 the tax imposed shall be on the individual share so passing in

7 excess of the exemptions herein allowed and shall be as follows:

8 One (1) percent on the first five thousand (5,000) dollars.

9 Two (2) percent on any amount in excess of five thousand
10 (5,000) dollars and up to twelve thousand five hundred (12,500)
11 dollars.

12 Three (3) percent on any amount in excess of twelve thousand
13 five hundred (12,500) dollars and up to twenty-five thousand
14 (25,000) dollars.

15 Four (4) percent on any amount in excess of twenty-five thou-
16 sand (25,000) dollars and up to fifty thousand (50,000) dollars.

17 Five (5) percent on any amount in excess of fifty thousand
18 (50,000) dollars and up to seventy-five thousand (75,000) dollars.

19 Six (6) percent on any amount in excess of seventy-five thou-
20 sand (75,000) dollars and up to one hundred thousand (100,000)
21 dollars.

22 Seven (7) percent on any amount in excess of one hundred thou-
23 sand (100,000) dollars and up to one hundred fifty thousand
24 (150,000) dollars.

25 Eight (8) percent on all sums in excess of one hundred fifty
26 thousand (150,000) dollars.

27 2. When such transfers pass to a brother, sister, son-in-law,
28 daughter-in-law, or stepchild of the decedent, the tax imposed
29 shall be on the individual share so passing in excess of any
30 exemptions herein allowed and shall be as follows:

31 Five (5) percent on any amount up to twelve thousand five hun-
32 dred (12,500) dollars.

33 Six (6) percent on any amount in excess of twelve thousand
34 five hundred (12,500) dollars and up to twenty-five thousand
35 (25,000) dollars.

36 Seven (7) percent on any amount in excess of twenty-five thou-
37 sand (25,000) dollars and up to seventy-five thousand (75,000)
38 dollars.

39 Eight (8) percent on any amount in excess of seventy-five thou-
40 sand (75,000) dollars and up to one hundred thousand (100,000)
41 dollars.

42 Nine (9) percent on any amount in excess of one hundred thou-
43 sand (100,000) dollars and up to one hundred fifty thousand
44 (150,000) dollars.

45 Ten (10) percent on all sums in excess of one hundred fifty
46 thousand (150,000) dollars.

47 3. When such transfers pass in any manner to or for the bene-
48 fit of societies, institutions or associations incorporated under
49 the laws of this state or of any other state, territory, prov-
50 ince, or country, for chartible, educational or religious pur-
51 poses or to cemetery associations, and the transfer is not ex-
52 empt under the provisions of subsection four (4) of section four
53 (4) of this chapter, the tax imposed shall be on the individual
54 share so passing as follows: ten (10) percent on the entire
55 amount so passing.

56 4. When such transfers pass to any firm, corporation, or
57 society organized for profit either under the laws of this state
58 or of any other state, territory, province or country, the tax
59 imposed shall be on the individual share so passing as follows:
60 fifteen (15) percent on the entire amount so passing.

61 5. When such transfers pass to any person not included in
62 any of the first four subsections hereof, the tax imposed shall
63 be on the individual share so passing as follows:

64 Ten (10) percent on any amount up to fifty thousand (50,000)
65 dollars.

66 Twelve (12) percent on any amount in excess of fifty thousand
67 (50,000) dollars and up to one hundred thousand (100,000) dollars.

68 Fifteen (15) percent on all sums in excess of one hundred
69 thousand (100,000) dollars.

1 Sec. 8. Unknown heirs. Whenever the heirs or person entitled
2 to any estate or any interest therein are unknown, the tax im-
3 posed shall be the same as that provided in subsection five (5)
4 of section seven (7) of this chapter, subject to refund as pro-
5 vided herein in other cases if it is later determined that a
6 lower rate of tax should have been imposed.

1 Sec. 9. Previously taxed property. In the event that any

2 property subject to inheritance tax under the provisions of this
3 chapter can be identified as having been received by the decedent
4 as a share in the estate of any person who died within two year.
5 prior to the death of the decedent, or can be identified as
6 having been acquired by the decedent in exchange for property
7 so received, and an inheritance tax under this chapter was col-
8 lected from such other estate with respect to such property, a
9 credit against inheritance tax due in connection with decedent's
10 estate shall be allowed. The credit shall be available only for
11 such previously acquired property or property substituted there-
12 for, shall not exceed the tax attributable thereto in the prior
13 estate, and shall not exceed the difference between the tax in
14 decedent's estate computed without regard to the credit and that
15 which would be computed if the previously acquired property were
16 not included in decedent's estate.

1 Sec. 10. Accrual of tax--maturity--extension of time--interest.

2 The tax hereby imposed shall be for the use of the state, shall
3 accrue at the death of the decedent owner, grantor, transferor
4 or vendor, and shall be paid to the state tax commission within
5 eighteen months after the death of the decedent except when other-
6 wise provided in this chapter. When in the opinion of the state
7 tax commission additional time should be granted for payment to
8 avoid hardship, said commission may extend the period to a date
9 not exceeding three (3) years from date of death of decedent,
10 but in case of any such extension the tax shall bear six (6)
11 percent interest from the expiration of eighteen (18) months
12 from decedent's death. All taxes not paid within the time pres-
13 cribed in this chapter shall draw interest at the rate of eight
14 (8) percent per annum thereafter until paid.

1 Sec. 11. Lien of tax.

2 1. The tax shall be and remain a legal charge against and a
3 lien upon the estate subject to tax under this chapter, and any
4 and all the property thereof from the death of the decedent owner
5 until paid subject to the following limitations:

6 a. Inheritance taxes owing with respect to any passing of

7 property in the estates of deceased persons who died on or before
8 July 4, 1951, under any inheritance tax laws of this state shall
9 no longer be a lien against such property except to the extent
10 such taxes are attributable to remainder or deferred interests
11 therein which did not finally vest in possession on or before
12 such dates.

13 b. Inheritance taxes owing with respect to any passing of
14 property in the estates of deceased persons whose estates have
15 been administered under the Iowa Probate Code, chapter six hun-
16 dred thirty-three (633), shall no longer be a lien against such
17 property ten (10) years from the date of decedent's death, except
18 to the extent such taxes are attributable to remainder or deferred
19 interests therein which did not finally vest in possession on
20 or before the beginning of such ten-year period.

21 2. Notice of the lien is not required to be recorded; the
22 rights of the state under the lien are entitled to priority
23 over all subsequent mortgages, purchasers or judgment creditors;
24 and no conveyance of the property subject to such lien, after
25 decedent's death, shall discharge the property so conveyed
26 therefrom, except as otherwise provided in this chapter. The
27 filing in the office of the clerk of the receipt in full, or
28 certificate of nonliability of the state tax commission, shall
29 release said lien as to all property reported in the estate.

30 3. The sale, exchange, mortgage or pledge of any property
31 by the personal representative pursuant to a testamentary direc-
32 tion or power, or under order of the court, shall divest such
33 property from the lien of the state for inheritance tax. The
34 proceeds from such sale, exchange, mortgage or pledge shall be
35 held by the personal representative subject to the same prior-
36 ities for the payment of such taxes as attached to such property,
37 and the personal representative shall be personally liable for
38 the payment of such taxes to the extent of such proceeds.

1 Sec. 12. Liability for tax. Any person becoming benefi-
2 cially entitled to any property or interest therein by any
3 method of transfer specified in section two (2) of this chapter,

4 and all administrators, exccutors, referees, and trustees of
5 estates or transfers taxable under the provision of this chapter,
6 shall be respectively liable for all such taxes to be paid by
7 them respectively. If the decedent makes a transfer of, or
8 creates a trust with respect to, any property in contemplation
9 of his death, or intended to take effect after his death (except
10 in the case of a bona fide sale for a fair consideration in
11 money or money's worth), and if the tax in respect thereto is
12 not paid when due, the transferee, or trustee, who takes such
13 property from the decedent, shall be personally liable for such
14 tax, and such property, to the extent reportable for tax under
15 this chapter, shall be subject to a lien for the payment of such
16 tax. In no case shall an administrator, executor, referee or
17 trustee be liable for the tax due with regard to property not in
18 the probate estate and to which he had no right of possession or
19 control.

1 Sec. 13. Deferral of tax--future interests. Where there is
2 a transfer of property by a devise, descent, bequest, gift, or
3 grant, or otherwise, liable to the tax hereinbefore imposed,
4 which transfer is to take effect in possession or to come into
5 actual enjoyment after the expiration of any one or more life
6 estates or a period of years, the tax on such deferred estate
7 shall not be payable, nor shall interest begin to run thereon,
8 until the person entitled to the deferred estate shall come into
9 actual possession thereof by the termination of the estates for
10 life or years. The tax shall be assessed upon the value of the
11 estate at the time the right to possession accrues to the owner,
12 less the value of any improvements thereon or betterments thereto
13 made by the owner during the time of the prior estate or estates.
14 However, the owner may pay the tax at any time prior to his coming
15 into possession, in which case the tax shall be assessed on the
16 then fair value of the estate after deducting the value of the
17 remaining life estates or estates for years. Any transfer creat-
18 ing a general power of appointment shall be treated as a transfer
19 of a fee or equivalent interest in the property subject thereto

20 to the donee of the power. Any transfer creating any other power
21 of appointment shall be treated as the transfer of a life estate
22 or term of years in the property subject thereto to the donee
23 of the power and as the transfer of the remainder interests
24 therein to those who would take if the power is not exercised.

1 Sec. 14. Deferral of tax--security. Where tax is deferred
2 under the provisions of section thirteen (13) of this chapter:

3 1. The tax on real estate shall remain a lien on the real
4 estate on which the same is chargeable until paid. If such real
5 estate is to be sold or mortgaged before the tax is paid, and
6 the fiduciary or other person making such sale or mortgage, or
7 any person interested, shall enter into security for the payment
8 of the tax to the satisfaction of the state tax commission, the
9 lien may be released and the real estate sold or mortgaged free
10 of the lien of the tax.

11 2. If decedent's estate consists in part of real and in part
12 of personal property, and there be an estate for life or for a
13 term of years to one or more persons and a deferred or remainder
14 interest to others subject to tax under this chapter in whole
15 or in part, if the deferred or remainder estates or interests
16 are so disposed that good and sufficient security for the payment
17 of the tax for which such deferred or remainder estates may be
18 liable can be had because of the lien imposed by this chapter
19 upon the real property of such estate, payment of the tax upon
20 the deferred or remainder estates may be postponed until the de-
21 termination of the prior estate without giving security as here-
22 inafter required, and the tax shall remain in lien upon such real
23 estate until the tax upon such deferred estate or interest is
24 paid.

25 3. If decedent's estate consists entirely of personal prop-
26 erty, or partly of personal property and the provisions of sub-
27 section two (2) are not applicable, the persons interested who
28 may desire to defer payment of the tax until the determination
29 of the prior estates shall enter into security for the payment
30 of the tax to the satisfaction of the state tax commission.

1 Sec. 15. Security. The state tax commission is hereby auth-
2 orized to require as security, for the purposes of section four-
3 teen (14) of this chapter, the filing with it of a bond, in an
4 amount equal to twice the amount of the tax, interest, and costs
5 that may be due, but in no case less than five hundred (500) dol-
6 lars, which must be secured by not less than two (2) resident free-
7 holders or by a fidelity or surety company authorized by the in-
8 surance commissioner to do business in this state. Such bond
9 shall be payable to the state tax commission and shall be con-
10 ditioned upon the payment of the tax, interest, and costs for
11 which the estate may be liable, and for the faithful performance
12 of all the duties hereby imposed upon and required of the person
13 whose acts are by such bond to be guaranteed. Such bond shall be
14 renewed every two (2) years until the tax upon the deferred estate
15 is paid; if at the end of any two-year period the bond is not
16 promptly renewed for a like period, and the tax has not been paid,
17 the bond shall be declared forfeited and the amount thereof forth-
18 with collected.

1 Sec. 16. Contingent estates. Estates in expectancy which
2 are contingent or defeasible and in which proceedings for the
3 determination of the tax have not been taken or where the taxa-
4 tion thereof has been held in abeyance, shall be appraised at
5 their full undiminished value when the persons entitled thereto
6 shall come into the beneficial enjoyment or possession thereof,
7 without diminution for or on account of any valuation theretofore
8 made of the particular estates for purposes of taxation, upon
9 which said estates in expectancy may have been limited. When
10 an estate, devise, or legacy can be divested by the act or omis-
11 sion of the legatee or devisee, it shall be taxed as if there
12 were no possibility of such divesting. When a devise, bequest,
13 or transfer is one in part contingent, and in part vested so that
14 the beneficiary will come into possession and enjoyment of a por-
15 tion of his inheritance on or before the happening of the event
16 upon which the possible defeating contingency is based, a tax
17 shall be imposed and collected upon such bequest or transfer

18 as upon a vested interest, at the highest rate possible under
19 the terms of this chapter if no such contingency existed; pro-
20 vided that in the event such contingency reduces the value of
21 the estate or interest so taxed, and the amount of tax so paid
22 is in excess of the tax for which such bequest or transfer is
23 liable upon the removal of such contingency, such excess shall
24 be refunded in accordance with the provisions in this chapter.

1 Sec. 17. Time of payment extended. If because of necessary
2 litigation or other unavoidable cause of delay enforced payment
3 of the tax hereby imposed, by suit and execution or otherwise,
4 would result in loss or be to the detriment of the best interests
5 of the estate, the court may extend the time for the payment of
6 the tax. Such extensions of time shall not be granted except
7 in cases where security is given for payment of the tax, inter-
8 est, and costs and the application for such extension is made
9 before the tax is delinquent.

1 Sec. 18. Bequests to executors or trustees. Whenever a de-
2 cedent appoints one or more executors or trustees and, in lieu
3 of their allowance or commission, makes a bequest or devise of
4 property to them which would otherwise be liable to said tax,
5 or appoints them his residuary legatees, and said bequests,
6 devises, or residuary legacies exceed the statutory fees as
7 compensation for their services, such excess shall be deemed a
8 transfer subject to tax under this chapter.

1 Sec. 19. Duty of fiduciary to pay tax. It is hereby made
2 the duty of all executors, administrators, trustees, or other
3 persons charged with the management or settlement of any estate
4 subject to the tax provided for in this chapter, to collect and
5 pay to the state tax commission the amount of the tax due from
6 any devisee, grantee, donee, heir, or beneficiary of the decedent,
7 except in cases where payment of the tax is deferred until the
8 determination of a prior estate, in which cases the state tax
9 commission shall collect the same.

1 Sec. 20. Tax deducted from legacy or collected. Every fidu-
2 ciary having in charge any property of an estate subject to said

3 tax, and which is made payable by him, shall deduct the tax
4 therefrom or shall collect the tax thereon from the legatee or
5 person entitled to said property and pay the same to the state
6 tax commission, and he shall not deliver any specific legacy or
7 property subject to said tax to any person until he has collected
8 the tax thereon.

1 Sec. 21. Legacies charged upon real estate. Whenever any
2 legacies subject to said tax are charged upon or payable out of
3 any real estate, the heir or devisee, before paying the same,
4 shall deduct said tax therefrom and pay it to the executor, ad-
5 ministrator, trustee, or state tax commission, and the same shall
6 remain a charge against and be a lien upon said real estate until
7 it is paid; and payment thereof shall be enforced by the executor,
8 administrator, trustee or state tax commission in his or its name
9 of office as herein provided.

1 Sec. 22. Removal of property from state--bond. It shall be
2 unlawful for any person to remove from this state any property,
3 or the proceeds thereof, that may be subject to the tax imposed
4 by this chapter, without paying the said tax to the state tax
5 commission. Any person violating the provisions of this section
6 shall be guilty of a felony and upon conviction shall be fined
7 an amount equal to twice the amount of tax, interest, and costs
8 for which the estate may be liable, but in no case less than two
9 hundred (200) dollars, and imprisoned as the court shall direct,
10 until the fine is paid; provided, however, that the penalty hereby
11 imposed shall not be enforced if, prior to the removal of such
12 property or the proceeds thereof, the person desiring to effect
13 such removal files with the clerk a bond conditioned upon the pay-
14 ment of the tax, interest and costs, as is provided in section
15 fifteen (15) of this chapter.

1 Sec. 23. Forms for report and inventory. The report and
2 inventory required by section six hundred thirty-three point
3 three hundred sixty-one (633.361) of the Iowa Probate Code shall
4 be filed upon blanks furnished to the clerk of the court by the
5 state tax commission. Subject to the provisions of section six

6 hundred thirty-three point three hundred sixty-one (633.361),
7 the commission is authorized to determine the form of such re-
8 port and inventory, and may require it to be one of several sep-
9 parable forms.

1 Sec. 24. Filing of forms--forwarding--endorsement by commis-
2 sion. The report and inventory, or such part thereof as the com-
3 mission shall direct, shall be forwarded by the clerk of the court
4 to the state tax commission, in duplicate. The commission shall
5 endorse thereon its direction either that said estate properties
6 shall be appraised for inheritance tax, that appraisal of all
7 properties is waived, or that appraisal of specified portions
8 of the properties is waived and appraisal shall be had of the
9 remaining portions. If appraisal of any property is waived, the
10 commission shall indicate that the value shown in the report or
11 inventory for that property is accepted as satisfactory for in-
12 heritance tax purposes. The original copy of this report and
13 inventory which was forwarded to the commission, with the endorse-
14 ment regarding appraisal, shall be returned to the clerk of the
15 court probating the estate for filing. In the event that addi-
16 tional property of the estate is thereafter discovered, which
17 was not included in the original report, the commission shall
18 be advised, and shall indicate whether appraisal thereof is to
19 be made, in whole, or in part, or is to be waived. If the com-
20 mission finds, from the report and inventory, that no tax is due
21 from decedent's estate it shall so indicate in its endorsement.

1 Sec. 25. Administration on application of commission. If,
2 upon the death of any person leaving an estate that may be liable
3 to a tax under the provisions of this chapter, a will disposing
4 of such estate is not offered for probate, or an application for
5 administration made within four months from the time of such
6 decease, the state tax commission may, at any time, thereafter,
7 make application to the proper court, setting forth such fact
8 and praying that an administrator may be appointed, and thereupon
9 said court shall appoint an administrator to administer upon
10 such estate.

1 Sec. 26. Determination without administration. Any person
2 having possession, custody, or control of, or having an interest
3 in, any property or property right as defined in section two (2)
4 of this chapter which, by the reason of the death of another, is,
5 or may be, subject to the taxes imposed by this chapter, if there
6 is no personal representative of the estate of the decedent, act-
7 ing and qualified under the provisions of the Iowa Probate Code,
8 may obtain a determination of the tax liability of said property
9 through the procedure governing such personal representatives
10 and prescribed herein. Such procedure shall be invoked by the
11 filing, in duplicate, of the inventory and report required by
12 the provisions of section six hundred thirty-three point three
13 hundred sixty-one (633.361) of the Iowa Probate Code in the office
14 of the clerk of the court of the county of residence of said de-
15 cedent, or, if he was a nonresident of the state, of the county
16 in which said property, or a part thereof, is located. The record
17 of all further proceedings in connection therewith, including
18 rulings and decisions of the said commission, and receipts issued
19 by it, shall be filed in the same office.

1 Sec. 27. Appointment of appraisers--special appraisers.

2 1. In each county the court shall, annually, at the first
3 term of the court therein, appoint three competent residents of
4 said county to act as appraisers of all property within its juris-
5 diction which is charged or sought to be charged with an inher-
6 itance tax. Said appraisers shall serve for one (1) year, and
7 until their successors are appointed and qualified. They shall
8 each take an oath to faithfully and impartially perform the duties
9 of the office, but shall not be required to give bond. They shall
10 be subject to removal at any time at the discretion of the court,
11 and the court may on its own motion appoint substitute or replace-
12 ment appraisers who meet the above stated qualifications if one
13 or more of the regular appraisers be disqualified, resign, or be
14 unable to function.

15 2. When an estate includes items of property which because
16 of their nature can best be appraised by special appraisers, and

17 application for appointment of special appraisers is made either
18 by the state tax commission in its endorsement made under section
19 twenty-five (25) of this chapter, or by the estate, the court
20 may appoint not more than two special appraisers, qualified to
21 value such property, for each item of property involved, and to
22 direct which items of property are to be appraised by each special
23 appraiser. Determination of the value of each item of property
24 shall be made by the regular appraisers and any special appraiser
25 or appraisers appointed to value that item, acting jointly.

26 3. No person directly or indirectly interested in any manner
27 in the estate to be appraised may serve as an appraiser of such
28 estate.

1 Sec. 28. Compensation of appraisers. The schedule of compen-
2 sation for appraisers shall be set in accordance with section
3 six hundred thirty-three point twenty-one (633.21) of the Iowa
4 Probate Code. If the claim of any appraiser in connection with
5 the appraisement of one estate is for more than fifty (50) dol-
6 lars, it shall be itemized and verified and filed with the clerk
7 of the court in which the estate is pending and notice of hear-
8 ing on such claim shall be given as shall be prescribed by the
9 court. Upon hearing on any such claim the court shall fix the
10 amount of compensation to be allowed and enter an order there-
11 for in the records of such estate, which allowance shall be taxed
12 as part of the costs of probate. In addition to compensation,
13 the appraisers shall also be entitled to mileage, in an amount
14 set in the same manner as is the schedule of compensation, for
15 the actual and necessary distance traveled in going to and return-
16 ing from the place of appraisal, but separate mileage shall not
17 be allowed when one conveyance was or could have been used in mak-
18 ing said appraisal nor shall any appraiser be entitled to mileage
19 if gratuitously transported by another. The cost of the appraise-
20 ment shall also be a charge against the estate of the decedent,
21 to be paid out of the property appraised or by the owner or
22 owners thereof. The appraisers shall be required to file a
23 sworn statement with the clerk of the court, setting out in
24 detail the cost of said appraisement.

1 Sec. 29. Commission to appraisers. Where directed by the
2 state tax commission, and in accordance with any order of the
3 court under section twenty-seven (27) of this chapter, the clerk
4 of the court shall issue a commission to the appraisers, who shall
5 fix a time and place for appraisal. The appraisers shall forth-
6 with give notice to the state tax commission and to other persons
7 known to be interested in the property to be appraised, of the
8 time and place at which they will appraise such property, which
9 time shall not be less than ten (10) days from the date of such
10 notice. The notice may be given by ordinary mail, said mailing
11 to be at least ten (10) days before the time of appraisal, or
12 may be served in the same manner as is prescribed for the com-
13 mencement of civil actions, or may be by any other method author-
14 ized by the court upon application therefor by any appraiser or
15 interested party.

1 Sec. 30. Property in several counties. When property is
2 located in more than one county, the appraisers of the county
3 in which the estate is being administered may appraise all the
4 property of the estate that is to be appraised, or those of the
5 several counties may serve for the property within their respec-
6 tive counties, or special appraisers may be appointed in accor-
7 dance with section twenty-seven (27) of this chapter, by the court
8 for the county in which the estate is being administered.

1 Sec. 31. Filing appraisal. Upon service of the notice of
2 appraisal and the making of the appraisal, the notice,
3 return thereon, and appraisal (including the value of property
4 for which appraisal was waived) shall be filed with the clerk,
5 and one copy of such appraisal shall at once be filed by the
6 clerk with the state tax commission and another copy shall be
7 promptly delivered to the attorney of record for the estate.

1 Sec. 32. Objections. The state tax commission or any person
2 interested in the estate or property may, within twenty (20) days
3 after the filing of the appraisal under section thirty-one (31)
4 of this chapter, file objections to the said appraisal or
5 accepted value and give notice thereof as in beginning civil

6 actions, to the state tax commission or the representative of
7 the estate or trust, if any, otherwise to the person interested
8 as heir, legatee, or transferee, on the hearing of which as an
9 action in probate tried as in equity either party may produce
10 evidence competent or material to the matters therein involved.
11 If no objections are filed within such period, the appraisement
12 or value shall stand approved.

1 Sec. 33. Hearing--order. If upon such hearing the court
2 finds the amount at which the property is appraised or valued
3 is its value on the market in the ordinary course of trade, and
4 the appraisement or valuation was fairly and in good faith made,
5 it shall approve the appraisement or valuation; but if it finds
6 that the appraisement or valuation was made at a greater or less
7 sum than the value of the property in the ordinary course of
8 trade, or that the same was not fairly or in good faith made, it
9 shall set aside the appraisement or value. Upon said appraise-
10 ment or valuation being set aside, the court shall fix the value
11 of the property of said estate for inheritance tax purposes and
12 the valuation so fixed shall be that upon which the tax shall be
13 paid, unless an appeal is taken from the order of said court as
14 hereinafter provided for.

1 Sec. 34. Appeal and notice. The state tax commission or any-
2 one interested in the property appraised or valued may appeal to
3 the supreme court from the order of the district court fixing the
4 value of the property of said estate. Notice of appeal shall be
5 served within sixty (60) days from the date of the order appealed
6 from, and the appeal shall be perfected in the time now provided
7 for appeals in equitable actions.

1 Sec. 35. Bond on appeal. In case of appeal the appellant,
2 if not the state tax commission, shall give bond to be approved
3 by the clerk of the court, which bond shall provide that the said
4 appellant and sureties shall pay the tax for which the property
5 may be liable with cost of appeal.

1 Sec. 36. Appraisal of other property. If there be an estate
2 or property subject to said tax wherein the records of the clerk's

3 office do not disclose that there may be a tax due under the pro-
4 visions of this chapter, the person or persons interested in the
5 property shall report the matter to the clerk with an applicati n
6 that the property be appraised.

1 Sec. 37. Estate not subject to tax. Where the state tax com-
2 mission finds that the estate is not subject to inheritance tax
3 it shall forthwith issue a certificate in duplicate to that ef-
4 fect, providing the clerk with one copy and the executor or admin-
5 istrator or his attorneys with a copy. The clerk shall file the
6 certificate and record it in the probate proceedings of the estate
7 and it shall constitute a release of the lien for inheritance tax
8 on the properties listed in the preliminary inheritance tax report
9 and probate inventory and amendments thereto then on file.

1 Sec. 38. Annuities--life and term estates. The value of any
2 annuity, deferred estate, or interest, or any estate for life or
3 term of years, subject to inheritance tax shall be determined
4 for the purpose of computing said tax by the use of current, com-
5 monly used tables of mortality and actuarial principles pursuant
6 to regulations prescribed by the state tax commission. The tax-
7 able value of annuities, life or term, deferred, or future estates,
8 shall be computed at the rate of four (4) percent per annum of the
9 appraised value of the property in which such estate or interest
10 exists or is founded.

1 Sec. 39. Final settlement to show payment. No final settle-
2 ment of the account of any executor, administrator, or trustee
3 shall be accepted or allowed unless a strict compliance has been
4 had by such person with section twenty-three (23) of this chapter,
5 and unless it shall show that all taxes imposed by the provisions
6 of this chapter upon any property or interest therein, that is
7 hereby made payable by such executors, administrators, or trustees,
8 and to be settled by said account, shall have been paid, and that
9 the receipt of the state tax commission for such tax shall have
10 been filed with the clerk showing such payment, or its determina-
11 tion that no tax is due shall have been filed with the clerk.
12 Filing of the receipt or determination shall be noted in the
13 probate docket.

1 Sec. 40. Extension of time of appraisement. Whenever, by
2 reason of the complicated nature of an estate, or by reason of
3 the confused condition of the decedent's affairs, it is imprac-
4 ticable for the fiduciary or beneficiary of said estate to file
5 with the clerk of the court a full, complete, and itemized inven-
6 tory of the personal assets belonging to the estate, within the
7 time required by statute for filing inventories of the estates,
8 the court may, upon the application of such fiduciary or party
9 in interest, extend the time for making the inheritance appraise-
10 ment for a period not to exceed three months beyond the time
11 fixed by this chapter.

1 Sec. 41. State tax commission. The state tax commission
2 shall administer the taxes imposed by this chapter, and shall
3 in its name of office, with all the rights and privileges of a
4 party in interest, represent the state in any judicial proceed-
5 ings relating thereto. It shall be the duty of the commission
6 to enforce the collection of the delinquent inheritance tax,
7 and the provisions of law with reference thereto.

1 Sec. 42. Record of estates by commission. The state tax
2 commission shall keep a record in its office of all estates re-
3 ported to it as liable for a tax under the provisions of this
4 chapter, showing:

- 5 1. The name of the decedent.
- 6 2. The place of his residence or county from which such
7 estate was reported.
- 8 3. The date of his death.
- 9 4. The name of the administrator, executor, or trustee.
- 10 5. The appraised value of the property, or the value of any
11 taxable pecuniary legacy.
- 12 6. The amount of indebtedness that was deducted before esti-
13 mating the tax.
- 14 7. The amount of tax collected.
- 15 8. The amount of fees paid for reporting and collecting
16 such tax.
- 17 9. The amount of tax, if any, refunded.

1 Sec. 43. Record of deferred estates. The commission shall
2 also keep a separate record of any deferred estate upon which
3 the tax due is not paid within eighteen (18) months from the
4 death of the decedent, showing substantially the same facts as
5 are required in other cases, and also showing:

6 1. The date and amount of all bonds given to secure the pay-
7 ment of the tax with a list of the sureties thereon.

8 2. The name of the person beneficially entitled to such
9 estate or interest, with place of residence.

10 3. A description of the property or a statement of conditions
11 upon which such deferred estate is based or limited.

1 Sec. 44. Powers and duties. All the provisions of sections
2 four hundred twenty-two point sixty-one (422.61) and four hundred
3 twenty-two point sixty-four (422.64) of the Code, relating to
4 powers and duties of the commission, shall apply in the adminis-
5 tration of the taxes imposed by this chapter, insofar as the
6 same may be applicable.

1 Sec. 45. Investigation by commission. The state tax commis-
2 sion is hereby authorized and empowered to issue a citation to
3 any person who it may believe or has reason to believe has any
4 knowledge or information concerning any property which it believes
5 or has reason to believe has been transferred by any person and
6 as to which there is or may be a tax due to the state under the
7 provisions of the inheritance tax laws of this state, and by such
8 citation require such person to appear before it or anyone desig-
9 nated by it at the county seat of the county where said person
10 resides and at a time to be designated in such citation, and test-
11 ify under oath as to any fact or information within his knowledge
12 touching the quantity, value, and description of any such property
13 and the disposition thereof which may have been made by any per-
14 son, and to produce and submit to the inspection of the state
15 tax commission, any books, records, accounts, or documents in
16 the possession of or under the control of any person so cited.

1 Sec. 46. Inspection of books, records, etc. The state tax
2 commission shall also have the power to inspect and examine the

3 books, records, and accounts of any person, firm, or corporation,
4 including the stock transfer books of any corporation, for the
5 purpose of acquiring any information deemed necessary or desir-
6 able by it for the proper enforcement of the inheritance tax
7 laws of this state, and the collection of the full amount of the
8 tax which may be due to the state thereunder.

1 Sec. 47. Information confidential. Any and all information
2 acquired by the state tax commission under and by virtue of the
3 means and methods provided for by sections forty-five (45) and
4 forty-six (46) of this chapter shall be deemed and held by it
5 as confidential and shall not be disclosed by it except so far
6 as the same may be necessary for the enforcement and collection
7 of the inheritance tax provided for by the laws of this state;
8 provided however, that the commission may authorize the examina-
9 tion of the information by other state officers, or, if a recip-
10 rocal arrangement exists, by tax officers of another state or
11 of the federal government.

1 Sec. 48. Contempt. Refusal of any person to attend before
2 the state tax commission in obedience to any such citation, or
3 to testify, or produce any books, accounts, records, or documents
4 in his possession or under his control and submit the same to
5 inspection of the state tax commission when so required, may,
6 upon application of the state tax commission, be punished by
7 any district court in the same manner as if the proceedings were
8 pending in such court.

1 Sec. 49. Fees. Witnesses so cited before the state tax com-
2 mission, and any sheriff or other officer serving such citation,
3 shall receive the same fees as are allowed in civil actions; to
4 be audited by the state comptroller and paid upon the certificate
5 of the state tax commission out of funds not otherwise appropri-
6 ated.

1 Sec. 50. Proof of amount of tax due. Before issuing its
2 receipt for the tax, the state tax commission may demand from
3 fiduciaries or beneficiaries such information as may be neces-
4 sary to verify the correctness of the amount of the tax and

5 interest, and when such demand is made they shall send to said
6 commission certified copies of wills, deeds, or other papers, or
7 of such parts of their reports as it may demand, and upon the
8 refusal or neglect of said parties to comply with the demand of
9 the state tax commission, it is the duty of the clerk of the court
10 to comply with such demand, and the expenses of making such copies
11 and transcripts shall be charged against the estate, as are other
12 costs in probate, or the tax may be assessed without deducting
13 debts for which the estate may be liable.

1 Sec. 51. Receipt for payment. Upon payment of the tax imposed
2 under this chapter the state tax commission shall forthwith trans-
3 mit a receipt to the clerk of the court of the county in which
4 the estate is being settled, showing payment of such tax, and
5 shall transmit a duplicate to the executor or administrator or
6 his attorneys.

1 Sec. 52. Heirs at law to make report. Whenever any property
2 passing under the intestate laws may be subject to the tax impose
3 by this chapter, the person or persons entitled to such property
4 shall make or cause to be made to the clerk of the courts of the
5 county wherein such property is located, within ninety (90) days
6 next following the death of such intestate, a report in writing
7 embodying therein substantially the information required by sec-
8 tion six hundred thirty-three point three hundred sixty-one
9 (633.361) of the Iowa Probate Code. This report shall be handled
10 as prescribed in section twenty-four (24) of this chapter. Fail-
11 ure to furnish such report or to probate the will in a testate
12 estate shall not relieve the estate from the lien created hereby
13 or the persons entitled to the property of such decedent from
14 payment of the tax, interest, or other penalties imposed by this
15 chapter.

1 Sec. 53. Duty of recorder. Each county recorder shall, upon
2 the filing in his office of any deed, bill of sale, or other
3 transfer of any description whatsoever which shows upon its face
4 that it was made or intended to take effect in possession or en-
5 joyment at or after the death of the maker of such instrument,
6 forward to the state tax commission a certified copy thereof.

1 Sec. 54. Rescission of receipt--assessments by commission;
2 penalties; appeals.

3 1. If property subject to tax under this chapter has not been
4 included in the original or an amended report filed under sections
5 twenty-three (23) and twenty-four (24) of this chapter, and has
6 not been subjected to the tax due, and if its omission is dis-
7 covered before acceptance of final settlement of the account of
8 the fiduciary, the commission may transmit a notice of rescission
9 of the receipt issued under section fifty-one (51) of this chap-
10 ter, in the same manner as the receipt was transmitted, and the
11 provisions of section thirty-nine (39) of this chapter shall
12 be applicable thereto.

13 2. If the omission is discovered after acceptance of final
14 settlement or too late to transmit notice of rescission in time
15 to prevent acceptance thereof, the commission shall determine
16 the tax or additional tax due, and the person or persons from
17 whom it is due, and the tax or additional tax together with in-
18 terest and penalty as hereinafter provided shall be paid by the
19 person or persons owing the same within ten (10) days after the
20 commission shall have given him, or them, notice of assessment
21 thereof by registered or certified mail. Notice may also be
22 sent by ordinary mail to the executor or administrator or his
23 attorneys.

24 3. In case the property was not included in original or
25 amended reports filed under sections twenty-three (23) and
26 twenty-four (24) of this chapter, or no reports were filed, in
27 an attempt to avoid or evade the tax rather than because of mis-
28 take in interpreting or applying the law, there shall be added
29 to the tax otherwise due an additional amount by way of penalty,
30 equal to fifty (50) percent of the increase in tax caused by the
31 inclusion of the property previously omitted.

32 4. If the tax has not been determined and paid within the
33 time stated in section ten (10) of this chapter, the commission
34 shall have power to determine the same, and to proceed, in the
35 same manner as specified in subsection two (2) of this section.

36 5. The commission shall also have the same power to make
37 jeopardy assessments as is provided in section four hundred
38 twenty-two point thirty (422.30) of the Code.

39 6. All the provisions of sections four hundred twenty-two
40 point twenty-eight (422.28) and four hundred twenty-two point
41 twenty-nine (422.29) of the Code, insofar as the same are applic-
42 able, shall apply to assessments made under this section.

1 Sec. 55. Action to collect. The state tax commission may
2 bring, or cause to be brought in its name of office, suit, for
3 the collection of said tax, interest, and costs, against the
4 fiduciary, or against the person entitled to property subject to
5 said tax, or upon any bond given to secure payment thereof, either
6 jointly or severally, and obtaining judgment may cause execution
7 to be issued thereon as is provided by statute in other cases.
8 The proceedings shall conform as nearly as may be to those for
9 the collection of ordinary debt by suit. The commission may also,
10 substantially as provided in sections four hundred forty-five
11 point six (445.6) and four hundred forty-five point seven (445.7)
12 of the Code, proceed to collect all taxes, interest, and pen-
13 alties as soon as practicable after the same become delinquent,
14 except that no property of the taxpayer shall be exempt from the
15 payment of said tax. It is expressly provided that the foregoing
16 remedies of the state shall be cumulative and that no action taken
17 by the commission or attorney general shall be construed to be
18 an election on the part of the state or any of its officers to
19 pursue any remedy hereunder to the exclusion of any other remedy
20 provided by law.

1 Sec. 56. Jurisdiction of court. Except as otherwise provided
2 in this chapter, the district court in the county in which some
3 part of the property is situated, of the decedent who was not a
4 resident, or such court in the county of which the decedent was
5 a resident at the time of his death or where such estate is
6 administered, shall have jurisdiction to hear and determine all
7 questions regularly brought before it in relation to said tax that
8 may arise affecting any devise, legacy, annuity, transfer, grant,
9 gift, or inheritance, subject to appeal as in other cases.

10 The court may, upon satisfactory showing and on notice to
11 the state tax commission by certified mail or personal service
12 and on such other notice to other parties who may be affected
13 by the release of the lien as the court may prescribe, make an
14 order releasing any item of real estate including a deferred
15 estate or remainder interest therein or personal property from
16 the lien of the tax imposed by this chapter; provided that the
17 payment of the tax as fixed by the state tax commission on the
18 specific item of property released, or the determination by the
19 court that other property subject to the lien of the tax to be
20 released constitutes good and sufficient security for the pay-
21 ment of the tax, or an arrangement or adjustment fixed by the
22 court which will be fair and equitable to all parties affected
23 and which will assure the payment of the tax shall constitute
24 a satisfactory showing.

1 Sec. 57. Costs charged against estate--exceptions. In all
2 cases where an estate or interest therein so passes as to be
3 liable to taxation under this chapter, all costs of the proceed-
4 ings had for the assessment of such tax shall be chargeable to
5 such estate as other costs in probate proceedings and, to dis-
6 charge the lien, all costs as well as the taxes must be paid.
7 In all other cases the costs are to be paid as ordered by the
8 court. When a decision adverse to the state has been rendered,
9 with an order that the state pay the costs, it shall be the duty
10 of the clerk of the court in which such action was pending to
11 certify the amount of such costs to the state tax commission,
12 which shall, if said costs be correctly certified and the case
13 has been finally terminated and the tax if any due has been paid,
14 present the claim to the state comptroller to audit and, said
15 claim being allowed by said comptroller, the comptroller is
16 directed to issue a warrant on the treasurer of state in payment
17 of such costs.

1 Sec. 58. Appropriation. There is hereby appropriated out of
2 any funds in the state treasury not otherwise appropriated a sum
3 sufficient to carry out the provisions of section fifty-seven
4 (57) of this chapter.

1 Sec. 59. Compromise settlement. Whenever an estate charged
 2 or sought to be charged with the inheritance tax is of such a
 3 nature, or is so disposed, that the liability of the estate is
 4 doubtful, or the value thereof cannot with reasonable certainty
 5 be ascertained under the provisions of law, the state tax commis-
 6 sion may, with the written approval of the attorney general,
 7 which approval shall set forth the reasons therefor, compromise
 8 with the beneficiaries or fiduciaries of such estates, and com-
 9 pound the tax thereon; but said settlement must be approved by
 10 the district court or judge of the proper court, and after such
 11 approval the payment of the amount of the taxes so agreed upon
 12 shall discharge the lien against the property of the estate.

1 Sec. 60. Refund of tax improperly paid.

2 1. If it shall appear that, as the result of mistake, an
 3 amount of tax, penalty, or interest has been paid which was not
 4 due under the provisions of this chapter, then such amount shall
 5 be credited against any tax due, or to become due, under this
 6 chapter or chapter four hundred twenty-two (422) of the Code from
 7 the person who made the erroneous payment, or such amount shall
 8 be refunded to such person by the commission. No claim for re-
 9 fund, or credit, that has not been filed with the commission
 10 within five (5) years after the tax payment upon which a refund
 11 or credit is claimed became due, or one (1) year after such tax
 12 payment was made, whichever time is later, except as provided in
 13 subsection two (2) hereof, shall be allowed by the commission.

14 2. In case of a claim for refund or credit within two (2)
 15 years after the termination of any contingency with respect to
 16 the persons receiving the property or to the share received, as
 17 a result of which there should have been no tax due or the amount
 18 paid was excessive, the amount thus improperly paid shall sim-
 19 ilarly be refunded or credited.

20 3. Wherever in any division of this chapter a refund is auth-
 21 orized, the commission shall certify the amount of the refund and
 22 the name of the payee to the state comptroller. Upon certifica-
 23 tion from the commission, the state comptroller shall draw his

24 warrant on the state's general fund in the amount specified pay-
25 able to the named payee, and the state treasurer shall pay the
26 same.

1 Sec. 61. Joint accounts and similar interests. No person,
2 bank, credit union, savings and loan association, industrial loan
3 company, small loan company, mortgage lending company, or similar
4 company shall, after learning of the death of a joint owner of
5 a certificate of deposit, thrift certificate, certificate of in-
6 debtedness, or promissory note issued by it, a joint account
7 therein, or any similar interest therewith, permit the withdrawal
8 of funds from the account or the conversion of the certificate,
9 note or interest into funds and withdrawal thereof, or any trans-
10 fer of ownership of the account, certificate, note or interest
11 by the surviving joint owner or joint owners without first noti-
12 fying the state tax commission of the balance in such account,
13 the amount of the certificate or note or the extent of such in-
14 terest at the date of decedent's death and the name and address
15 of the surviving joint owner or joint owners. Such notification
16 may be accomplished by mailing the required information to the
17 tax commission and, if permitted by the contract between the
18 parties, withdrawal of funds, payment for the certificate or
19 note, or transfer of interest may be made immediately thereafter
20 as long as such mailing is accomplished by ordinary mail no
21 later than the date of withdrawal, payment or transfer or earlier
22 if knowledge of the decedent's death is known by the depository.
23 A person, bank, credit union, savings and loan association, in-
24 dustrial loan company, small loan company, mortgage lending com-
25 pany, or similar company shall only be liable for any inheritance
26 tax due by the surviving joint owner or joint owners, for will-
27 ful failure to report to the tax commission as herein provided.

1 Sec. 62. Securities and assets held by banks, etc. No safe
2 deposit company, trust company, bank or other institution, or
3 person or persons holding securities or assets of the decedent
4 (exclusive of the instrument purporting to be the decedent's
5 will and life insurance policies on the life of the decedent)

6 in a safety deposit box or other such security enclosure shall,
7 after learning of the death, transfer the same to the transferee
8 (other than the personal representative of the decedent), joint
9 owner, or beneficiary of said decedent, without serving notice
10 of the proposed transfer upon the state tax commission at least
11 ten (10) days prior to the date of the transfer. The commission
12 personally, or by any person by it duly authorized, shall be enti-
13 tled to examine such securities or assets before the proposed de-
14 livery or transfer is made, and may make any order prohibiting,
15 limiting or conditioning the transfer which is reasonable to pro-
16 tect the interests of the state. Failure to serve the said ten
17 days' notice upon the state tax commission, to allow it to make
18 examination, or to comply with the order of the commission, shall
19 render such safe deposit company, trust company, bank, or other
20 institution, person or persons liable for the payment of the tax
21 upon such securities or assets as is provided in this chapter.

22 When the decedent's personal representative is duly appointed
23 and qualified and before the contents of such safe deposit box
24 or other security enclosure may be transferred to him, a com-
25 plete inventory of the contents thereof shall be made by the
26 personal representative and an official of such safe deposit
27 company, trust company, bank, or other institution, or person
28 or persons, and a copy of such inventory immediately transmitted
29 to the state tax commission, together with a statement as to the
30 name and address of the personal representative and the county
31 in which the estate of the decedent is pending administration.

1 Sec. 63. Transfer of corporation stock. If a foreign
2 executor, administrator, or trustee shall assign or transfer
3 any corporate stock or obligations in this state standing in the
4 name of a decedent, or in trust for a decedent, liable to such
5 tax, the tax shall be paid to the state tax commission on or be-
6 fore the transfer thereof; otherwise the corporation permitting
7 its stock to be so transferred shall be liable to pay such tax,
8 interest, and costs, and it is the duty of the state tax commis-
9 sion to enforce the payment thereof.

1 Sec. 64. Corporations to report transfers. Every Iowa corp-
2 oration organized for pecuniary profit shall, on July 1 of each
3 year, by its proper officers under oath, make a full and correct
4 report to the state tax commission of all transfers of its stocks
5 made during the preceding year by any person who appears on the
6 books of such corporation as the owner of such stock, when such
7 transfer is made to take effect at or after the death of the
8 owner or transferor, and all transfers which are made by a fidu-
9 ciary, surviving joint owner, referee, or any person other than
10 the owner or person in whose name the stocks appeared of record
11 on the books of such corporation, prior to the transfer thereof.
12 Such report shall show the name of the owner of such stocks and
13 his place of residence, the name of the person at whose request
14 the stock was transferred, his place or residence and the auth-
15 ority by virtue of which he acted in making such transfer, the
16 name of the person to whom the transfer was made, and the res-
17 idence of such person, together with such other information as
18 the officers reporting may have relating to estates of persons
19 deceased who may have been owners of stock in such corporation.
20 If it appears that any such stock so transferred is subject to
21 tax under the provisions of this chapter, and the tax has not
22 been paid, the state tax commission shall notify the corporation
23 in writing of its liability for the payment thereof, and shall
24 bring suit against such corporation as in other cases herein pro-
25 vided unless payment of the tax is made within sixty (60) days
26 from the date of such notice.

1 Sec. 65. Foreign estates--deduction of debts. Whenever any
2 property belongs to the estate of a nonresident decedent, which
3 estate in whole or in part passes to persons not exempt herein
4 from such tax, the said tax shall be assessed upon the market
5 value of said property remaining after the payment of such debts
6 and expenses as are chargeable to the property under the laws of
7 this state. In the event that the executor, administrator, or
8 trustee of such foreign estate files with the clerk of the court
9 having ancillary jurisdiction, and with the state tax commission,

10 duly certified statements exhibiting the true market value of
11 the entire estate of the decedent owner, and the indebtedness for
12 which the said estate has been adjudged liable, which statements
13 shall be duly attested by the judge of the court having original
14 jurisdiction, the beneficiaries of said estate shall then be en-
15 titled to have deducted such proportion of the said indebtedness
16 of the decedent from the value of the property as the value of the
17 property within this state bears to the value of the entire estate.

1 Sec. 66. Property in this state belonging to foreign estate.

2 Whenever any property, real or personal, within this state be-
3 longs to the estate of a nonresident and said foreign estate
4 passes in part exempt from the tax imposed by this chapter and
5 in part subject to said tax and there is no specific devise of
6 the property within this state to exempt persons or if it is
7 within the authority or discretion of the foreign executor, ad-
8 ministrator, or trustee administering the estate to dispose of
9 the property not specifically devised to exempt persons in the
10 payment of debts owing by the decedent at the time of his death,
11 or in the satisfaction of legacies, devises, or trusts given to
12 direct or collateral heirs, then the property within the juris-
13 diction of this state belonging to such foreign estate shall be
14 subject to the tax imposed by this chapter, and the tax due thereon
15 shall be assessed as provided in section sixty-five (65) of this
16 chapter, relating to the deduction of the proportionate share of
17 indebtedness; provided however, that if the value of the property
18 so situated exceeds the total amount of the estate passing to
19 other persons than those exempt hereby from the tax imposed by
20 this chapter, such excess shall not be subject to said tax.

1 Sec. 67. Interstate arbitration of death taxes.

2 1. When the state tax commission claims that a decedent was
3 domiciled in this state at the time of his death and the taxing
4 authorities of another state or states make a like claim on be-
5 half of their state, the state tax commission, with the approval
6 of the attorney general, may make a written agreement with the
7 other taxing authorities and with the executor or administrator

8 to submit the controversy to the decision of a board consisting
9 of one or any uneven number of arbitrators. The executor or ad-
10 ministrator is hereby authorized to make the agreement. The
11 parties to the agreement shall select the arbitrator or arbi-
12 trators.

13 2. The board shall hold hearings at such time and places as
14 it may determine, upon reasonable notice to the parties to the
15 agreement, all of whom shall be entitled to be heard, to present
16 evidence, and to examine and cross-examine witnesses.

17 3. The board shall have power to administer oaths, take test-
18 imony, subpoena and require the attendance of witnesses and the
19 production of books, papers and documents, and issue commissions
20 to take testimony. Subpoenas may be signed by any member of the
21 board. In case of failure to obey a subpoena, any judge of a
22 court of record of this state, upon application by the board,
23 may make an order requiring compliance with the subpoena, and
24 the court may punish failure to obey the order as a contempt.

25 4. The board shall, by majority vote, determine the domicile
26 of the decedent at the time of his death. This determination
27 shall be final for purposes of imposing and collecting death
28 taxes but for no other purpose.

29 5. Except as provided in subsection three (3) above, in
30 respect of the issuance of subpoenas, all questions arising in
31 the course of the proceeding shall be determined by majority
32 vote of the board.

33 6. The state tax commission, the board, or the executor or
34 administrator shall file the determination of the board as to
35 domicile, the record of the board's proceedings, and the agree-
36 ment, or a duplicate, made pursuant to subsection one (1) of this
37 section, with the authority having jurisdiction to determine the
38 death taxes in the state determined to be the domicile and shall
39 file copies of all such documents with the authorities that would
40 have been empowered to determine the death taxes in each of the
41 other states involved.

42 7. In any case where it is determined by the board that the

43 decedent died domiciled in this state, interest, if otherwise
44 imposed by law, for nonpayment of death taxes between the date
45 of the agreement and of filing of the board's determination of
46 the board as to domicile, shall not exceed ten (10) percent per
47 annum.

48 8. Nothing contained herein shall prevent at any time a written
49 compromise, if otherwise lawful, by all parties to the agreement
50 made pursuant to subsection one (1) fixing the amounts to be
51 accepted by this and any other state involved in full satisfac-
52 tion of death taxes.

53 9. The compensation and expenses of the members of the board
54 and its employees may be agreed upon among such members and the
55 executor or administrator and if they cannot agree shall be fixed
56 by any court having jurisdiction over probate matters of the state
57 determined by the board to be the domicile of the decedent. The
58 amounts so agreed upon or fixed shall be deemed an administration
59 expense and shall be payable by the executor or administrator.

60 10. This section shall apply only to cases in which each of
61 the states involved has a law identical with or substantially
62 similar to this section.

63 11. As used in this section the word "state" means any state,
64 territory, or possession of the United States, and the District
65 of Columbia.

66 12. This section shall be so interpreted and construed as to
67 effectuate its general purpose to make uniform the law of those
68 states which enact it.

69 13. This section may be cited as the "Act on Interstate
70 Arbitration of Death Taxes".

71 14. This section shall apply to estates of decedents dying
72 before or after its enactment.

1 Sec. 68. Interstate compromise of death taxes.

2 1. When the state tax commission claims that a decedent was
3 domiciled in this state at the time of his death and the taxing
4 authorities of another state or states make a like claim on be-
5 half of their state or states, the state tax commission may, with

6 the approval of the attorney general, make a written agreement
7 of compromise with the other taxing authorities and the executor
8 or administrator that a certain sum shall be accepted in full
9 satisfaction of any and all death taxes imposed by this state,
10 including any interest or penalties to the date of filing the
11 agreement. The agreement shall also fix the amount to be accepted
12 by the other states in full satisfaction of death taxes. The
13 executor or administrator is hereby authorized to make such agree-
14 ment. Either the tax commission or the executor or administrator
15 shall file the agreement, or a duplicate, with the authority
16 that would be empowered to determine death taxes for this state
17 if there had been no agreement; and thereupon the tax shall be
18 deemed conclusively fixed as therein provided. Unless the tax is
19 paid within sixty (60) days after filing the agreement, or is de-
20 ferred in accordance with the provisions of this chapter, interest
21 shall thereafter accrue upon the amount fixed in the agreement
22 but the time between the decedent's death and the filing shall
23 not be included in computing the interest.

24 2. As used in this section the word "state" means any state,
25 territory, or possession of the United States, and the District
26 of Columbia.

27 3. This section shall be so interpreted and construed as to
28 effectuate its general purpose to make uniform the law of those
29 states which enact it.

30 4. This section may be cited as the "Act on Interstate Com-
31 promise of Death Taxes."

32 5. This section shall apply to estates of decedents dying
33 before or after its enactment.

1 Sec. 69. Criminal penalties. Any person required to make,
2 render, or sign any report or inventory, who willfully makes
3 any false or fraudulent report or inventory or fails to make
4 any report or inventory, with intent to defeat or evade the tax
5 required by law to be paid, shall upon conviction for each such
6 offense be punished by imprisonment in the county jail for a term
7 not exceeding one (1) year or in the state penitentiary for a

8 term not exceeding five (5) years, or by a fine not exceeding five
9 thousand (5,000) dollars, or by both fine and imprisonment not in
10 excess of the limits herein specified.

1 Sec. 70. This chapter shall govern computation of inheritance
2 tax in all cases of transfers by a decedent whose death occurred
3 on or after July 1, 1967. It shall also govern procedure in cases
4 then pending of transfers by a decedent whose death occurred be-
5 fore said date, except to the extent that its application in
6 particular proceedings or parts thereof would not be feasible
7 or would work injustice, in which event the former procedure
8 shall apply.

1 Sec. 71. No act done in any proceeding commenced before July
2 1, 1967, and no accrued or vested right, shall be impaired by its
3 provisions. When a right has been acquired, extinguished, or
4 barred upon the expiration of a prescribed period of time governed
5 by the provision of any statute in force before July 1, 1967,
6 such provision shall remain in force and be deemed a part of
7 this chapter with respect to such right.

1 Sec. 72. If any provision of this chapter or the application
2 thereof to any person or circumstances is held invalid, such
3 invalidity shall not affect other provisions or applications of
4 this chapter which can be given effect without the invalid pro-
5 vision or application, and to this end the provisions of this
6 chapter are declared to be severable.

1 Sec. 73. The Table of Corresponding Sections attached to this
2 bill shall not be considered a part of this Act and neither said
3 table nor this section shall be included in the enrollment of
4 the Act as passed by the general assembly.

TABLE OF CORRESPONDING SECTIONS

(Old Law)	(New Section)
450.1 Partly repealed, rewritten and expanded . . .	1
450.2 Rewritten, expanded	2
450.3 Rewritten	2,3
450.4 Rewritten	4
450.5 Modified	12
450.6 Modified	10
450.7 Rewritten	11
450.8 Modified	12
450.9 Modified	1,6
450.10 Modified	7
450.12 Modified	5,9
450.13 Repealed	-
450.14 Modified	23
450.15 Modified	24
450.16 Repealed	-
450.17 Rewritten	11
450.18 Modified	39
450.19 Modified	42
450.20 Unchanged	43
450.21 Unchanged	25
450.22 Unchanged	26
450.23 Repealed	-
450.24 Rewritten	27
450.25 Rewritten	28
450.26 Rewritten	28
450.27 Modified	29
450.28 Modified	29
450.29 Modified	31
450.30 Modified	30
450.31 Unchanged	32
450.32 Unchanged	33
450.33 Unchanged	34
450.34 Unchanged	35

(Old Law)	(New Section)
450.35 Repealed	-
450.36 Unchanged	36
450.37 Repealed, substance in 3	(3)
450.38 Rewritten	5
450.39 Repealed	-
450.40 Rewritten	37
450.41 Repealed	-
450.42 Repealed	-
450.43 Repealed	-
450.44 Rewritten	13-15
450.45 Rewritten	13-15
450.46 Rewritten	13-15
450.47 Rewritten	13-15
450.48 Rewritten	13-15
450.49 Rewritten	13-15
450.50 Unchanged	22
450.51 Unchanged	38
450.52 Rewritten	13-15
450.53 Unchanged	19
450.54 Repealed	-
450.55 Modified, rewritten	55
450.56 Unchanged	17
450.57 Unchanged	20
450.58 Modified	39
450.59 Modified	56
450.60 Rewritten	41
450.61 Unchanged	18
450.62 Unchanged	21
450.63 Unchanged, combined	10
450.64 Modified	51
450.65 Modified	41
450.66 Unchanged	45
450.67 Unchanged	46
450.68 Unchanged	47

(Old Law)	(New Section)
450.69 Unchanged	48
450.70 Unchanged	49
450.71 Unchanged	50
450.72 Unchanged	40
450.73 Modified	52
450.74 Repealed	-
450.75 Repealed	-
450.76 Repealed	-
450.77 Repealed	-
450.78 Repealed	-
450.79 Repealed	-
450.80 Repealed	-
450.81 Unchanged	53
450.82 Repealed	-
450.83 Repealed	-
450.84 Unchanged	57
450.85 Modified	58
450.86 Modified	62
450.87 Unchanged	63
450.88 Modified	64
450.89 Unchanged	65
450.90 Unchanged	66
450.91 Modified	4(2)
450.92 Unchanged	59
450.93 Modified	8
450.94 Rewritten	60
450.95 Repealed	-
450.96 Modified	16
450.97 Rewritten	61
<u>Completely New Matter</u>	
Powers and duties of commission	44
Assessments and penalties, commission action	54
Interstate arbitration	67
Interstate compromise	68
Criminal penalties	69

EXPLANATION OF INHERITANCE TAX BILL

The purpose of this bill is to simplify and to improve inheritance tax procedures, to increase procedural efficiency in administration of decedents' estates, to eliminate antique and useless sections of the inheritance tax law, and to clarify certain vague areas of that law. Tax rates and individual exemptions in the law are substantially unchanged, and this bill should have little effect on the amount of tax which would be due. The inheritance tax, last revised in substance in 1921, is one of the earliest revenue measures for statewide purposes. It was adopted before there had been any experience with administration and collection of taxes through a state tax commission. It has a number of provisions that are not used; it requires reference of many documents to judges where such reference is often unnecessary, and thus causes delays in settling estates; it does not enable the state tax commission to operate as simply and expeditiously as do later revenue acts such as the sales and the income tax acts. Furthermore, increasing application of the federal estate tax law to Iowa estates, and the recent adoption of a new probate Code for Iowa, make desirable those changes which will improve the correlation between these laws and the inheritance tax, so that the process of collecting the inheritance tax will be improved and simplified and decedents' estates may be administered more efficiently.

1 Amend Senate File 340 as follows:

2 1. By striking from section two (2) line nineteen (19) the
3 word "contemplation" and substituting the word "contemplation"
4 therefor.

5 2. By striking from section five (5) line sixty-six (66) the
6 word "porperty" and substituting the word "property" therefor.

7 3. By striking from section twenty-three (23) line eight
8 (8) the word "of" and substituting the word "or" therefor.

Filed
March 27, 1967

By DeKOSTER