

SENATE FILE 2283  
BY COMMITTEE ON JUDICIARY  
*Approved (p. 2)*  
(SUCCESSOR TO SSB 2173)

FILED FEB 8 1990

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the deductibility of liabilities for state  
2 inheritance tax purposes.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 450.12, subsection 1, paragraph b, Code  
2 1989, is amended to read as follows:

3 b. A liability shall not be deducted unless the personal  
4 representative or other person filing the inheritance tax  
5 return as provided in section 450.22 certifies that it has  
6 been paid or, if not paid, the director of revenue and finance  
7 is satisfied that it will be paid. A liability is deductible  
8 under this section whether or not the liability is legally  
9 enforceable against the decedent's estate.

10 EXPLANATION

11 The bill permits a debt of a decedent to be deductible for  
12 state inheritance tax purposes if paid by any person filing  
13 the inheritance tax return and even if the debt is not legally  
14 enforceable against the decedent's estate.

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SENATE FILE 2283  
FISCAL NOTE

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A fiscal note for Senate File 2283 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2283 would allow a debt of a decedent to be deductible for inheritance tax purposes even though the liability is not legally enforceable against the decedent's estate. Under current policy, debts that have been satisfied from property that is not legally subject to the payment of debt have not been allowed as a deduction from the decedent's gross estate.

Fiscal Impact

This bill would result in a decrease in state revenues. However, the exact impact cannot be estimated because the total amount of debts that are not legally enforceable is not known. However, the Department anticipates that the revenue loss would not be significant.

Source: Department of Revenue and Finance

(LSB 8150sv, PDD)

FILED MARCH 5, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR



NESTER, CH.  
MANN  
HORN

SSB 2173

JUDICIARY

SENATE FILE 2283

BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY CHAIRPERSON  
VARN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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