

450.4 Exemptions.

The tax imposed by [this chapter](#) shall not be collected:

1. When the entire estate of the decedent does not exceed the sum of twenty-five thousand dollars after deducting the liabilities, as defined in [this chapter](#).

2. When the property passes for a charitable, educational, or religious purpose as defined in sections 170(c) and 2055 of the Internal Revenue Code.

3. When the property passes to public libraries or public art galleries within this state, open to the use of the public and not operated for gain, or to hospitals within this state, or to trustees for such uses within this state, or to municipal corporations for purely public purposes.

4. On bequests for the care and maintenance of the cemetery or burial lot of the decedent or the decedent's family, and bequests not to exceed five hundred dollars in any estate of a decedent for the performance of a religious service or services by some person regularly ordained, authorized, or licensed by some religious society to perform such service, which service or services are to be performed for or in behalf of the testator or some person named in the testator's last will.

5. *a.* On that portion of the decedent's interest in an employer-provided or employer-sponsored retirement plan or on that portion of the decedent's individual retirement account that will be subject to federal income tax when paid to the beneficiary. This exemption shall apply regardless of the identity of the beneficiary and regardless of the number of payments to be made after the decedent's death.

b. For purposes of this exemption:

(1) An "individual retirement account" includes an individual retirement annuity or any other arrangement as defined in section 408 of the Internal Revenue Code.

(2) An "employer-provided or employer-sponsored retirement plan" includes a qualified retirement plan as defined in section 401 of the Internal Revenue Code, a governmental or nonprofit employer's deferred compensation plan as defined in section 457 of the Internal Revenue Code, and an annuity as defined in section 403 of the Internal Revenue Code.

6. On property in an individual development account in the name of the decedent that passes to another individual development account. For purposes of [this subsection](#), "individual development account" means an account that has been certified as an individual development account pursuant to [chapter 541A](#).

7. On the value of tangible personal property as defined in [section 633.276](#) which is distributed in kind from the estate if the aggregate of all tangible personal property in the estate does not exceed five thousand dollars.

8. On the value of any interest in a qualified tuition plan, as defined in section 529 of the Internal Revenue Code, to the same extent to which the value is excluded from the decedent's gross estate for federal estate tax purposes. [This subsection](#) shall apply to all qualified tuition plans that are in existence on or after July 1, 1998.

[S13, §1481-a1; C24, 27, 31, 35, 39, §7308; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.4; 81 Acts, ch 147, §1, 19]

83 Acts, ch 177, §3, 38; 93 Acts, ch 97, §15, 20; 94 Acts, ch 1165, §31; 96 Acts, ch 1106, §8; 2001 Acts, ch 140, §1, 5; 2001 Acts, ch 150, §20, 21; 2002 Acts, ch 1050, §38; 2006 Acts, ch 1016, §1, 8; 2007 Acts, ch 134, §2, 28; 2008 Acts, ch 1164, §2; 2010 Acts, ch 1137, §1; 2012 Acts, ch 1123, §2, 32

^{2012 amendment striking former subsections 7 and 8 applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32}