

January 20, 1967

Passed on File.

Nays and Means 1-23, Pass 5-24

Senate File 31

By LUCKEN, HOUGEN, ELVERS,
STEPHENS, HILL and
VAN GILST

Passed Senate, Date 6-27-67

Passed House, Date 7-1-67

Vote: Ayes 40 Nays 0

Vote: Ayes 101 Nays 4

Approved
*Passed Senate as amended by House
7-1-67; 48-12*

A BILL FOR

An Act relating to inheritance taxes.

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

1 Section 1. Section four hundred fifty point ten (450.10),
2 Code 1966, is hereby amended by adding thereto the following
3 new subsection:

4 "When the property or any interest therein, or income
5 therefrom, taxable under the provisions of this chapter passes
6 to any person included under subsections one (1) or two (2)
7 hereof, there shall be credited to the tax imposed on the
8 individual share so passing an amount equal to the tax imposed
9 on the decedent on any property, real, personal or mixed, or
10 the proportionate share thereof on property passing to the
11 person taxed hereunder, which can be identified as having been
12 received by the decedent as a share in the estate of any person
13 who died within two (2) years prior to the death of the dece-
14 dent, or which can be identified as having been acquired by
15 the decedent in exchange for property so received."

1 Sec. 2. Section four hundred fifty point twelve (450.12),
2 Code 1966, is hereby amended by striking all of subsection
3 three (3).

1 Amend Senate File 31 by adding the following sec-
2 tion thereto:

3 This Act, being deemed of immediate importance, shall be in
4 full force and effect from and after its passage and publication
5 in LeMars Daily Sentinel, a newspaper published at
6 LeMars, Iowa and in Kingsley News Times,
7 a newspaper published at Kingsley, Iowa.

Filed
July 1, 1967

STOKES of Plymouth.

another on which tax had been paid. Thus an indirect heir, such as a sister of a surviving spouse, can receive an estate, tax free, from the surviving spouse who received the estate from her deceased husband within the two (2) year period prior to the spouse's death. This bill would require an indirect heir, such as the sister, under such circumstances to pay the difference resulting from the different rates of taxes applicable to such direct and indirect heirs.

On an estate of \$240,000.00 under the present law, the tax collected would be only that paid by the surviving wife, to wit:

1% of the first	\$ 5,000	=	\$ 50.00
2% of the next	7,000	=	140.00
3% of the next	13,000	=	390.00
4% of the next	25,000	=	1,000.00
5% of the next	25,000	=	1,250.00
6% of the next	25,000	=	1,500.00
7% of the next	50,000	=	3,500.00
8% of the next	50,000	=	<u>4,000.00</u>
Total			\$11,830.00

The sister of the surviving wife would pay nothing.

Under this bill the tax paid by the sister of the surviving wife would be:

5% of the first	\$12,500	=	\$ 625.00
6% of the next	12,500	=	750.00
7% of the next	50,000	=	3,500.00
8% of the next	25,000	=	2,000.00
9% of the next	50,000	=	4,500.00
10% of the next	85,000	=	<u>8,500.00</u>
Total			\$19,875.00

Less credit on tax paid by wife			<u>11,830.00</u>
Tax due by sister			\$ 8,045.00

- 1 Amend Senate File 31 by adding the following section thereto:
- 2 This Act, being deemed of immediate importance, shall be in
- 3 full force and effect from and after its passage and publication in
- 4 Le Mars Daily Sentinel, a newspaper published at Le Mars, Iowa
- 5 and in Kingsley News Times, a newspaper published at Kingsley, Iowa.

Filed and adopted
July 1, 1967

HOUSE AMENDMENT