

RECEIVED FEB 5 1973

Judiciary 2-6, Pass 2-21 a amended

Potter, Chairman
McCartney
Willits

Hon Sup = Mean 3-28

SENATE FILE 131

By MURRAY and RAMSEY
(Bittle, Hill and Oakley)

Substituted for A. 7. 131

Passed Senate, Date 3-23-73 (644) Passed House, Date 4-6-73 (799)

Vote: Ayes 42 Nays 0 Vote: Ayes 82 Nays 2

Approved 4-26-73

A BILL FOR

1 An Act relating to the time of payment of inheritance tax.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S-123

1 Amend Senate File 131, by inserting a new section on page
3
2 after line 29.
3 Sec. _____. The provisions of this Act shall apply only
4 to the estates of decedents who die after the effective
5 date of this Act.

Filed Adopted 2/20
February 21, 1973

By COMMITTEE ON JUDICIARY

1 Section 1. Section four hundred fifty point six (450.6),
2 Code 1973, is amended to read as follows:

3 450.6 ACCRUAL OF TAX--MATURITY--EXTENSION OF TIME. The
4 tax hereby imposed shall be for the use of the state, shall
5 accrue at the death of the decedent owner, and shall be paid
6 to the department of revenue within ~~eighteen~~ fifteen months
7 after the death of the decedent owner except when otherwise
8 provided in this chapter. When in the opinion of the director
9 of revenue additional time should be granted for payment to
10 avoid hardship, the director may extend the period to a date
11 not exceeding three years from date of death of decedent,
12 but in case of any such extension the tax shall bear six per-
13 cent interest from the expiration of ~~eighteen~~ fifteen months
14 from decedent's death.

15 Sec. 2. Section four hundred fifty point twenty (450.20),
16 unnumbered paragraph one (1), Code 1973, is amended to read
17 as follows:

18 It shall also keep a separate record of any deferred es-
19 tate upon which the tax due is not paid within ~~eighteen~~ fif-
20 teen months from the death of the decedent, showing substan-
21 tially the same facts as are required in other cases, and
22 also showing:

23 Sec. 3. Section four hundred fifty point forty-five
24 (450.45), Code 1973, is amended to read as follows:

25 450.45 LIFE AND TERM ESTATES--APPRAISEMENT. Subject to
26 the provisions of section 450.39 when an estate or interest
27 for life or term of years in real property is given to a party
28 other than those especially exempt by this chapter, the clerk
29 shall cause the property to be appraised at the actual market
30 value thereof, as is provided in ordinary cases, and the party
31 entitled to the estate or interest shall, within ~~eighteen~~
32 fifteen months from the death of decedent owner, pay the tax,
33 and in default thereof the court shall order the estate or
34 interest, or so much thereof as necessary to pay the tax and
35 interest, to be sold.

SENATE FILE 131
FISCAL NOTE

Date prepared March 13, 1973

Requested by Senator Murray, et al.

Prepared in regard to S.F. 131 - An Act relating to the time payment of inheritance tax. Following is the fiscal effect in dollars of the legislative proposal as required by Senate Rule 31.

It is estimated that the change from a maximum filing of eighteen months to fifteen months would generate a one-time windfall of approximately \$750,000 in the fiscal year in which the change became effective. The year in which the windfall would occur is dependent upon whether, at the effective date, the bill pertains to estates currently within the eighteen month filing period or whether the bill applies to deaths occurring on or after the effective date.

Source: Department of Revenue.

Filed
March 20, 1973

GERRY D. RANKIN
Legislative Fiscal Director