

MAR 17 1977

HOUSE FILE 411

WAYS & MEANS CALENDAR

By COMMITTEE ON WAYS AND MEANS
(Formerly Study Bill 128)

HOUSE FILE 411

Ways and Means
Van Gilst, Chairperson
Hultman
Junkins

4/7 4/5
Do Pass 1/12/78 (p. 81)

Passed House, Date 3-31-77 (p. 1132) Passed Senate, Date 3-10-78 (p. 288)

Vote: Ayes 24 Nays 6 Vote: Ayes 43 Nays 0

Approved March 17, 1978

Repassed House for Senate amendment 5280
2-22-78 (p. 599)
92-2

A BILL FOR

- 1 An Act relating to the date upon which the inheritance tax
- 2 on life estates in real and personal property is due
- 3 and making the Act retroactive.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 411
Fiscal Note

Date: January 25, 1978
Requested by: Norman Rodgers

In compliance with a written request received January 16, 1978, there is hereby submitted a Fiscal Note for House File 411, pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

H.F. 411, An Act relating to the date upon which the inheritance tax on life estates in real and personal property is due and making the Act retroactive.

House File 1590 enacted in 1976 reduced the due date for paying Iowa inheritance taxes from fifteen months to twelve months. However, the due dates for payment of inheritance taxes on life estates in real and personal property were not reduced at that time.

House File 411 would make this change to bring due dates into conformity and would be retroactive to July 1, 1976.

Due to the current filing practice, it is estimated that this proposal would have no impact on state revenue.

Source: Iowa Department of Revenue

Gerry Rankin
Fiscal Director
Legislative Fiscal Bureau

1 Section 1. Section four hundred fifty point forty-five
2 (450.45), Code 1977, is amended to read as follows:

3 450.45 LIFE AND TERM ESTATES--APPRAISEMENT. Subject to
4 the provisions of section 450.39 when an estate or interest
5 for life or term of years in real property is given to a party
6 other than those especially exempt by this chapter, the clerk
7 shall cause the property to be appraised at the actual market
8 value thereof, as is provided in ordinary cases, and the party
9 entitled to the estate or interest shall, within ~~fifteen~~
10 twelve months from the death of decedent owner, pay the tax,
11 and in default thereof the court shall order the estate or
12 interest, or so much thereof as necessary to pay the tax and
13 interest, to be sold.

14 Sec. 2. Section four hundred fifty point forty-seven
15 (450.47), Code 1977, is amended to read as follows:

16 450.47 LIFE AND TERM ESTATES IN PERSONAL PROPERTY. Subject
17 to the provisions of section 450.39, when an estate or interest
18 for life or term of years in personal property is given to
19 one or more persons other than those especially exempt by
20 this chapter and the remainder or deferred estate to others,
21 the clerk shall cause the property devised or conveyed to
22 be appraised as provided herein in ordinary estates and the
23 value of the several estates or interests devised or conveyed
24 shall be determined as provided in section 450.51, and the
25 tax upon such estates or interests as are liable for the tax
26 imposed by this chapter shall be paid to the department of
27 revenue from the property appraised or by the persons entitled
28 to the estate or interest within ~~fifteen~~ twelve months from
29 the death of the testator, grantor, or donor; provided,
30 however, that payment of the tax upon any deferred estate
31 or remainder interest may be deferred until the determination
32 of the prior estate by the giving of a good and sufficient
33 bond as provided in section 450.48.

34 Sec. 3. The provisions of this Act shall be retroactive
35 to July 1, 1976 for estates of decedents dying on or after

1 July 1, 1976, and to this extent the provisions of this Act
2 are retroactive.

3 Sec. 4. This Act, being deemed of immediate importance,
4 shall take effect and be in force from and after its publica-
5 tion in The Spirit Lake Beacon, a newspaper published in
6 Spirit Lake, Iowa, and in The Clinton Herald, a newspaper
7 published in Clinton, Iowa.

8 EXPLANATION

9 House File 1590, passed by the Sixty-sixth General Assembly
10 in 1976, reduced the due date for paying the Iowa inheritance
11 and estate tax from fifteen months to twelve months. Sections
12 450.45 and 450.47 of the Code provide that the inheritance
13 tax due on life estates in real and personal property should
14 be paid fifteen months after the death of the decedent. These
15 two due dates were not included in House File 1590. The bill
16 conforms the due dates for the inheritance tax on life estates
17 to the due dates for the tax on fee simple and other property
18 in present possession and enjoyment.

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LSB 898H
bk/cj/23

HOUSE FILE 411

S-5167

- 1 Amend House File 411, as passed by the House,
- 2 as follows:
- 3 1. Page 1, line 35, by striking the figure
- 4 "1976" and inserting in lieu thereof the figure
- 5 "1977".
- 6 2. Page 2, line 1, by striking the figure
- 7 "1976" and inserting in lieu thereof the figure
- 8 "1977".

S-5167 FILED & ADOPTED (j. 288) BY LUCAS J. DE KOSTER
FEBRUARY 10, 1978

SENATE AMENDMENT TO
HOUSE FILE 411

H-5280

- 1 Amend House File 411 as passed by the House
- 2 as follows:
- 3 1. Page 1, line 35, by striking the figure
- 4 "1976" and inserting in lieu thereof the figure
- 5 "1977".
- 6 2. Page 2, line 1, by striking the figure
- 7 "1976" and inserting in lieu thereof the figure
- 8 "1977".

H-5280 FILED
RECEIVED FROM SENATE
FEBRUARY 14, 1978

House concurred 2/22 (j. 598)

AN ACT

RELATING TO THE DATE UPON WHICH THE INHERITANCE TAX ON LIFE ESTATES IN REAL AND PERSONAL PROPERTY IS DUE AND MAKING THE ACT RETROACTIVE.

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

Section 1. Section four hundred fifty point forty-five (450.45), Code 1977, is amended to read as follows:

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

Sec. 2. Section four hundred fifty point forty-seven (450.47), Code 1977, is amended to read as follows:

450.47 LIFE AND TERM ESTATES IN PERSONAL PROPERTY. Subject to the provisions of section 450.39, when an estate or interest for life or term of years in personal property is given to one or more persons other than those especially exempt by this chapter and the remainder or deferred estate to others, the clerk shall cause the property devised or conveyed to be appraised as provided herein in ordinary estates and the value of the several estates or interests devised or conveyed shall be determined as provided in section 450.51, and the tax upon such estates or interests as are liable for the tax imposed by this chapter shall be paid to the department of

revenue from the property appraised or by the persons entitled to the estate or interest within ~~fifteen~~ twelve months from the death of the testator, grantor, or donor; provided, however, that payment of the tax upon any deferred estate or remainder interest may be deferred until the determination of the prior estate by the giving of a good and sufficient bond as provided in section 450.48.

Sec. 3. The provisions of this Act shall be retroactive to July 1, 1977 for estates of decedents dying on or after July 1, 1977, and to this extent the provisions of this Act are retroactive.

Sec. 4. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Spirit Lake Beacon, a newspaper published in Spirit Lake, Iowa, and in The Clinton Herald, a newspaper published in Clinton, Iowa.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 411, Sixty-seventh General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved March 17, 1978

ROBERT D. RAY
Governor