

FEB 9 1995

WAYS AND MEANS

HOUSE FILE 156

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MUNDIE, LARSON, BLODGETT,  
MERTZ, and DRAKE

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

A BILL FOR

1 An Act repealing the state inheritance tax, providing for the  
2 phase out of the tax, and providing an applicability  
3 provision.

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

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HF 156

1 Section 1. Section 450.2, Code 1995, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Property passing from estates of  
4 decedents dying on or after July 1, 1999, is not subject to  
5 tax under this chapter. This chapter is repealed July 1,  
6 1999, for property of estates of decedents dying on or after  
7 July 1, 1999.

8 Sec. 2. Section 450.10, Code 1995, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 8. For property, interest in property, or  
11 income from property passing from estates of decedents dying  
12 during the following fiscal years the tax rates under  
13 subsections 1 through 6 shall be a percentage of those  
14 specified as follows:

15 a. For the fiscal year beginning July 1, 1995, eighty  
16 percent.

17 b. For the fiscal year beginning July 1, 1996, sixty  
18 percent.

19 c. For the fiscal year beginning July 1, 1997, forty  
20 percent.

21 d. For the fiscal year beginning July 1, 1998, twenty  
22 percent.

23 e. For fiscal years beginning on or after July 1, 1999,  
24 zero percent.

25 Sec. 3. This Act applies to estates of decedents dying on  
26 or after July 1, 1995.

27 EXPLANATION

28 The bill reduces the present inheritance tax rates by 20  
29 percent over five fiscal years beginning with the 1995-1996  
30 fiscal year. The rate for the fiscal year applies to property  
31 of estates of decedents dying during that year. Effective  
32 July 1, 1999, the inheritance tax is repealed for decedents  
33 dying on or after that date.

34 The bill applies to estates of persons dying on or after  
35 July 1, 1995.