

FILED JAN 13 1997

SENATE FILE 3
BY BLACK of Jasper

Passed Senate, Date _____ Passed House, 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 date
3 provision.

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

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S.F. 3

1 Section 1. Section 450.2, Code 1997, 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, 2001, is not subject to
5 tax under this chapter. This chapter is repealed July 1,
6 2001, for property of estates of decedents dying on or after
7 July 1, 2001.

8 Sec. 2. Section 450.10, Code 1997, 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, 1997, eighty
16 percent.

17 b. For the fiscal year beginning July 1, 1998, sixty
18 percent.

19 c. For the fiscal year beginning July 1, 1999, forty
20 percent.

21 d. For the fiscal year beginning July 1, 2000, twenty
22 percent.

23 e. For fiscal years beginning on or after July 1, 2001,
24 zero percent.

25 Sec. 3. This Act applies to estates of decedents dying on
26 or after July 1, 1997.

27 EXPLANATION

28 The bill reduces the present inheritance tax rates by 20
29 percent over five fiscal years beginning with the 1997-1998
30 fiscal year. The rate for the fiscal year applies to property
31 of estates of decedents dying during that fiscal year.

32 Effective July 1, 2001, the inheritance tax is repealed for
33 decedents dying on or after that date.

34 The bill applies to estates of persons dying on or after
35 July 1, 1997.