

1997 Regular Session
of the
Seventy-Seventh General Assembly
of the
State of Iowa

CHAPTER 1
INHERITANCE TAX
S.F. 35

AN ACT eliminating the inheritance tax on property passing to parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants of the decedent and providing an applicability date provision.

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

Section 1. Section 450.7, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Except for the share of the estate passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants, the tax is a charge against and a lien upon the estate subject to tax under this chapter, and all property of the estate or owned by the decedent from the death of the decedent until paid, subject to the following limitation:

Sec. 2. Section 450.9, Code 1997, is amended by striking the section and inserting in lieu thereof the following:

450.9 INDIVIDUAL EXEMPTIONS.

In computing the tax on the net estate, the entire amount of property, interest in property, and income passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants are exempt from tax.

Sec. 3. Section 450.10, subsection 1, Code 1997, is amended by striking the subsection.

Sec. 4. Section 450.10, subsection 2, unnumbered paragraph 1, Code 1997, is amended to read as follows:

When the property or any interest ~~therein in property~~, or income ~~therefrom from property~~ taxable under the provisions of this chapter passes to the brother or sister, son-in-law, or daughter-in-law, ~~or step-children~~, the rate of tax imposed on the individual share so passing shall be as follows:

Sec. 5. Section 450.10, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

When the property or interest in property or income from property, taxable under this chapter, passes to a person not included in subsections 1, 2, and 7, the rate of tax imposed on the individual share so passing shall be as follows:

Sec. 6. Section 450.10, subsection 6, Code 1997, is amended to read as follows:

6. When the property or any interest ~~therein~~ in property, or income ~~therefrom~~ from property, taxable under ~~the provisions of this chapter~~ passes to any person included under subsection 1 ~~or 2 hereof~~, there shall be credited to the tax imposed on the individual share so passing an amount equal to the tax imposed in this state on the decedent on any property, real, personal or mixed, or the proportionate share thereof on property passing to the person taxed hereunder, which can be identified as having been received by the decedent as a share in the estate of any person who died within two years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received. The credit shall not be applicable to taxes on property of the decedent which was not acquired from the prior estate.

Sec. 7. Section 450.10, subsection 7, Code 1997, is amended to read as follows:

7. Property, interest in property, or income passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants, is not taxable under this section.

Sec. 8. This Act applies to estates of decedents dying on or after July 1, 1997.

Approved February 10, 1997

CHAPTER 2

EX-PRISONER OF WAR MOTOR VEHICLE PLATES

S.F. 5

AN ACT relating to the registration fee for ex-prisoner of war motor vehicle plates and providing an effective date and a retroactive applicability date.

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

Section 1. Section 321.34, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. EX-PRISONER OF WAR SPECIAL PLATES. The owner of a motor vehicle subject to registration under section 321.109, subsection 1, light delivery truck, panel delivery truck, or pickup who was a prisoner of war during the Second World War at any time between December 7, 1941, and December 31, 1946, the Korean Conflict at any time between June 25, 1950, and January 31, 1955, or the Vietnam Conflict at any time between August 5, 1964, and June 30, 1973, all dates inclusive, may, upon written application to the department, order only one set of special registration plates with an ex-prisoner of war processed emblem. The emblem shall be designed by the department in cooperation with the adjutant general and shall signify that the owner was a prisoner of war as described in this subsection. The application is subject to approval by the department, in