

84 LSO 0089

HOUSE BILL 38

Introduced by: Mike

[illegible]

CONTINUED ON BACK

901338 Motion D Date 2/15/84
Introduce
Roll Call of the House
 of the FORTY-SEVENTH LEGISLATURE
 of Wyoming

	Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent
ARNOLD	✓				ODDE		✓		
BAKER		✓			PARKER		✓		
BARLOW		✓			PERKINS		✓		
BLACKWELL	✓				PHELAN		✓		
BROWN		✓			RATLIFF		✓		
BUDD		✓			ROBERTSON	✓			
BURNS	✓				ROTH	✓			
BURTON		✓			SALISBURY	✓			
BYRD		✓			SANDERS		✓		
CHAMBERLAIN <i>4</i>			✓		SCHMIDT		✓		
CROSS		✓			SCHWOPE	✓			
DICKEY		✓			SHREVE		✓		
DOBOS	✓				SIDI		✓		
DOWLEY					SIMONS		✓		
EDWARDS	✓				SIMPSON		✓		
GERINGER		✓			SORENSEN		✓		
GETTER		✓			STAUFFER		✓		
GRANT		✓			STEWART		✓		
HAGEMAN		✓			STRAND	✓			
HANSEN		✓			TIPTON	✓			
HARRISON		✓			TYSDAL		✓		
HENDRICKS		✓			URBIGKIT, D.		✓		
HERBST		✓			URBIGKIT, W.	✓			
HUMPHREY	✓				WALLIS		✓		
JACKSON		✓			WEAVER		✓		
JENSEN	✓				WIEDERSPAHN	✓			
JONES		✓			WOLFLEY		✓		
LARSON, T.	✓				ZUMBRUNNEN		✓		
MACMILLAN		✓			MR. SPEAKER		✓		
MADER		✓			PRESENT				
MALDONADO		✓							
MARTON		✓							
MCILVAIN		✓							
MEENAN		✓							
MICHEL		✓							
MURPHY		✓							

AYES 16
 NOES 47
 EXCUSED 1
 ABSENT _____
 TOTAL 64
 LESS 17
47

House of Intro			
_____	To Com No.	_____	
_____	Stand Report	Do _____	Amd _____ Not _____
_____	Com Whole	Do _____	Amd _____ Not _____
_____	2nd Reading	Amd _____	
_____	3rd Reading	Amd _____	Pass _____ Fail _____

Second House			
_____	To Com No.	_____	
_____	Stand Report	Do _____	Amd _____ Not _____
_____	Com Whole	Do _____	Amd _____ Not _____
_____	2nd Reading	Amd _____	
_____	3rd Reading	Amd _____	Pass _____ Fail _____

1984

STATE OF WYOMING

84LSO-0089.01

HOUSE BILL NO. 0038

Inheritance tax.

Sponsored by: Representative(s) WIEDERSPAHN

A BILL

for

1 AN ACT to create W.S. 39-6-814 through 39-6-821; and to
 2 repeal W.S. 39-6-810 through 39-6-813 relating to inheri-
 3 tance taxes; providing for an inheritance tax; providing
 4 rates; providing penalties; providing for fees; and pro-
 5 viding for an effective date.

6 Be It Enacted by the Legislature of the State of Wyoming:

7 Section 1. W.S. 39-6-814 through 39-6-821 are cre-
 8 ated to read:

9 39-6-814. Property subject to tax.

1 (a) Except as otherwise provided the following prop-
2 erty within the jurisdiction of the state of Wyoming is
3 subject to an inheritance tax as provided by W.S.
4 39-6-815:

5 (i) Property the title to which passes by will
6 or by the laws regulating intestate succession;

7 (ii) Property the title to which passes by
8 deed, grant or gift made in contemplation of death as pro-
9 vided by subsection (d) of this section;

10 (iii) Proceeds of insurance policies on the
11 life of a decedent payable to the decedent's estate or his
12 executor or administrator as such and subject to claims
13 against the decedent's estate;

14 (iv) Any property subject to the jurisdiction
15 of a Wyoming court for the purpose of distribution follow-
16 ing the death of the decedent owner;

17 (v) Property owned by a decedent domiciled
18 within Wyoming at the time of the decedent's death regard-
19 less of the location of the property.

20 (b) Except as hereafter provided, if the total
21 inheritance tax upon any estate under subsection (a) of

1 this section does not equal the full amount of the credit
2 for estate taxes under the laws of the United States, an
3 additional tax is levied equal to the difference between
4 the tax due under subsection (a) of this section and the
5 amount of credit available under the federal estate tax
6 laws. The federal credit for state death tax available to
7 Wyoming under the federal estate tax laws shall be com-
8 puted as follows: the value of the federal gross taxable
9 estate located in Wyoming divided by the total value of
10 the federal gross taxable estate multiplied by the federal
11 credit for state death tax equals Wyoming's share of the
12 federal credit for the state death tax. The total state
13 and federal inheritance and estate taxes upon any estate
14 shall not be increased under this subsection in excess of
15 the amount which would be due in the absence of this sub-
16 section. The estate tax due under this subsection shall
17 be collected in the same manner and at the same time as
18 the Wyoming inheritance tax except no discount under W.S.
19 39-6-818(c) shall be allowed which would reduce the total
20 state tax below the amount of available federal credit.

21 (c) The following property is exempt under subsec-
22 tion (a) of this section:

23 (i) Homestead property set off to the

1 decedent's surviving spouse, child or children;

2 (ii) All proceeds, not exceeding forty thou-
3 sand dollars (\$40,000.00), of insurance policies of any
4 person whose death was caused by enemy action during any
5 military engagement involving the United States;

6 (iii) Shares of the capital stock or securi-
7 ties of a Wyoming corporation owned by a nonresident of
8 Wyoming;

9 (iv) Real property located outside Wyoming;

10 (v) Tangible personal property not having an
11 actual situs in Wyoming and intangible personal property
12 if:

13 (A) The decedent at the time of his
14 death was a resident of a state, territory or foreign
15 country which at the time of his death did not impose a
16 transfer or death tax on property under this subsection
17 owned by a resident of Wyoming; or

18 (B) The laws of the state, territory or
19 country of residence of the decedent at the time of his
20 death contained a reciprocal exemption provision under
21 which nonresidents were exempted from transfer or death

1 taxes on property under this subsection if the state, ter-
2 ritory or country of residence of the decedent contained a
3 reciprocal exemption.

4 (vi) Gifts for state, municipal, charitable,
5 educational or religious purposes or to any institution
6 for use in the preservation of wild fowls or game animals;

7 (vii) Gifts to:

8 (A) Societies, corporations and institu-
9 tions exempted by law from taxation;

10 (B) Public corporations or any society,
11 corporation, institution or association of persons engaged
12 in or devoted to any charitable, benevolent, educational,
13 public, religious or similar works including trusts for
14 the use of such entities if the entities are organized or
15 existing under the laws of Wyoming, if the property trans-
16 ferred is limited to use in Wyoming, or if the laws of the
17 state, territory or country under which the entity was
18 organized or existed at the time of the decedent's death
19 did not impose a transfer or estate tax or granted recip-
20 rocal exemptions on property transferred to similar enti-
21 ties organized or existing under Wyoming laws.

22 (d) Any deed, grant or gift completed intervivos,

1 excluding bona fide purchases for full consideration, made
 2 not more than six (6) months prior to the death of the
 3 grantor or donor, is prima facie evidence that the deed,
 4 grant or gift was made in contemplation of the death of
 5 the grantor or donor. No tax is payable on account of a
 6 deed, grant or gift made in contemplation of death made
 7 more than two (2) years prior to the death of the grantor
 8 or donor unless made or intended to take effect in posses-
 9 sion or enjoyment only after death.

10 39-6-815. Schedule of rates; exemptions. Property
 11 subject to taxation under W.S. 39-6-814(a) shall be taxed
 12 at the following rates and with the following exemptions
 13 based on the value of the property passing determined
 14 under W.S. 39-6-817:

15	-----		
16			Over
17	Relationship	Exemption	Exemption
18	-----		
19	Class "A"		
20	1. Wife, husband	\$60,000.00	2 percent
21	2. Child, parent,		
22	brother, sister,		
23	adopted child,		

1 or adopted parent. \$10,000.00 2 percent

2 -----

3 Class "B"

4 Grandparent, grandchild,

5 half brother or half sister. \$ 5,000.00 4 percent

6 -----

7 Class "C"

8 All other None 6 percent

9

10 -----

11 39-6-816. Commission to be notified prior to inven-
12 tory; certified copy of inventory. Every executor or
13 administrator of an estate in which the value of the
14 estate estimated in the petition for letters of adminis-
15 tration is estimated to be at least thirty thousand dol-
16 lars (\$30,000.00) shall notify the commission by regis-
17 tered mail of the time and place of the first inventory
18 and appraisal at least ten (10) days prior thereto and
19 shall mail a certified copy of each inventory and
20 appraisal to the commission within ten (10) days after the
21 inventory and appraisal is completed.

22 39-6-817. Valuation.

23 (a) Property subject to Wyoming inheritance tax

1 shall be appraised at its actual value, which means the
2 same as "market value" as generally acceptable in the
3 appraisal of property, as of the following times as
4 elected by the executor or administrator of the estate:

5 (i) As of the date of death of the decedent;

6 (ii) In the case of property distributed,
7 sold, exchanged or otherwise disposed of within six (6)
8 months after the decedent's death, as of the date of dis-
9 tribution, sale, exchange or other disposition;

10 (iii) In the case of property not subject to
11 paragraph (ii) of this subsection, as of the date six (6)
12 months after the decedent's death at the election of the
13 executor or administrator;

14 (iv) In the case of property the actual value
15 of which cannot be determined at the times specified in
16 paragraphs (i) through (iii) of this subsection, as of the
17 date when the actual value becomes ascertainable.

18 (b) The value of every future or contingent or lim-
19 ited estate, income, interest or annuity dependent upon
20 any life or lives in being shall be determined by the
21 rules and standard tables of mortality prescribed by the
22 board and the rate of interest for computing the present

1 value of all future and contingent interests or estates
2 shall be five percent (5%) per annum.

3 39-6-818. When taxes accrue; payment; discount.

4 (a) Wyoming inheritance taxes accrue and are effec-
5 tive upon death of the decedent and are due and payable
6 within ten (10) months from the date of death except as
7 provided by subsection (b) of this section. Wyoming
8 inheritance taxes shall be computed upon the net value of
9 the property passing to each beneficiary. Net value shall
10 be determined by deducting the demands against the estate
11 under W.S. 2-7-110 and 2-7-802 through 2-7-805 from the
12 gross estate except as hereafter provided. Net value of
13 property of a foreign estate subject to Wyoming inheri-
14 tance taxes shall be determined by deducting the debts and
15 expenses chargeable to the property under the laws of
16 Wyoming from the gross value of the property or by deduct-
17 ing the proportion of the indebtedness of the estate from
18 the gross value of the estate subject to Wyoming inheri-
19 tance taxes as the gross value of the property located in
20 Wyoming bears to the total gross value of the estate. A
21 debt of the decedent which is secured by a mortgage or
22 other lien on property which is not subject to Wyoming
23 inheritance tax shall not be deducted from the gross value

1 of the estate in determining the net value of the estate.
2 The value of a devise or bequest to an executor or admin-
3 istrator in lieu of compensation for service as executor
4 or administrator is deductible from the gross estate as an
5 expense of administration only to the extent that it does
6 not exceed the statutory allowance for such services or as
7 allowed by the court as a reasonable compensation.

8 (b) Any person beneficially interested in an estate
9 or executor or administrator of an estate may elect within
10 six (6) months of the decedent's death not to pay the
11 Wyoming inheritance tax due until the person or persons
12 beneficially interested come into actual possession of
13 property under the estate. The person or persons electing
14 shall post a surety bond with and acceptable to the com-
15 mission in an amount equal to three (3) times the amount
16 of tax and interest due conditioned for the payment of the
17 tax and interest at such time as the person or persons
18 beneficially interested come into actual possession of the
19 property. The bond and a return of the property under
20 oath shall be filed with the commission and the clerk of
21 the district court in which the estate is being probated
22 at the time of the election. The bond shall be renewed
23 every five (5) years.

1 (c) If the Wyoming inheritance tax due is paid
2 within ten (10) months from the date of the decedent's
3 death a discount of five percent (5%) shall be allowed and
4 deducted from the payment. Taxes not paid within ten (10)
5 months from the date of the decedent's death bear interest
6 at eight percent (8%) per annum from the time the tax is
7 payable unless by reason of claims against the estate,
8 necessary litigation or other unavoidable delay the tax
9 cannot be determined in which case the tax bears interest
10 at six percent (6%) per annum until the cause of delay is
11 removed and eight percent (8%) thereafter. Taxes sus-
12 pended under subsection (b) of this section are subject to
13 eight percent (8%) interest from the date the tax is due
14 until paid notwithstanding the foregoing.

15 39-6-819. Payment of tax; tax a lien; sale of prop-
16 erty.

17 (a) The administrator or executor of any estate the
18 property of which is subject to Wyoming inheritance tax
19 shall deduct the tax and interest therefrom and pay the
20 tax and interest, if any, to the commission. The adminis-
21 trator or executor shall sell so much of the property
22 embraced in any inheritance, devise, bequest or legacy as
23 will enable him to pay the tax and interest due in the

1 same manner as he is entitled to do for the payments of
2 debts of the decedent unless the person entitled to the
3 property himself pays the tax plus interest due thereon.
4 The administrator or executor shall not deliver, nor be
5 compelled to deliver, any property of the estate until the
6 tax and interest due thereon is paid.

7 (b) Any person to whom property is transferred by
8 any inheritance, devise, bequest, legacy or gift and the
9 administrators or executors of the estate are personally
10 liable for Wyoming inheritance tax and interest due
11 thereon to the extent of the value of the property. Taxes
12 and interest due from the estates of resident decedents
13 shall be sued for within five (5) years after the taxes
14 and interest are due and collectible or else the taxes and
15 interest are conclusively presumed to be paid and cease to
16 be a lien against the property of the estate. Taxes and
17 interest due from the estates of nonresident decedents
18 shall be sued for within five (5) years after one (1) year
19 has elapsed after official notice of the death of the non-
20 resident decedent with description and probable value of
21 the estate is filed with the commission.

22 (c) The Wyoming inheritance tax and interest thereon
23 due from any estate is a lien upon the property embraced

1 in any inheritance, devise, bequest, legacy or gift and
2 all property in substitution therefor until the tax and
3 interest is paid or a bond is posted pursuant to W.S.
4 39-6-818(b) except the lien does not affect personal prop-
5 erty transferred to a bona fide purchaser for value.

6 (d) No corporation or trustee shall recognize any
7 assignment or transfer of stock or securities of any
8 Wyoming corporation belonging to the estate of a decedent
9 until provided with a certificate executed by the commis-
10 sion permitting the assignment or transfer. Any person or
11 corporation transferring or assigning stock or securities
12 of a Wyoming corporation in violation of this section is
13 liable for any inheritance tax due on the stock or securi-
14 ties.

15 39-6-820. Assessment; notice; discharge of personal
16 representative.

17 (a) Wyoming inheritance taxes shall be assessed and
18 collected by the commission or such division and employees
19 as designated by the commission. The commission shall
20 provide for notices of tax due and receipts for the pay-
21 ment of inheritance taxes.

22 (b) On January 1, April 1, July 1 and October 1 each

1 clerk of district court shall file reports on forms fur-
2 nished by the commission to the commission containing:

3 (i) The name of each decedent upon whose
4 estate application is submitted for probate;

5 (ii) The date and place of death;

6 (iii) The estimated value of the estate;

7 (iv) The names, residence and relationship to
8 the decedent of the decedent's heirs or beneficiaries
9 under the decedent's will;

10 (v) The estimated value of inheritance or
11 share under a will for each heir or beneficiary;

12 (vi) The value of the decedent's property as
13 shown by the inventory of the estate; and

14 (vii) Such other information as required by
15 the commission.

16 (c) The district court having jurisdiction of an
17 estate shall not discharge any personal representative nor
18 release his bond nor issue a final decree of distribution
19 of the estate until a receipt from the commission is filed
20 showing no inheritance tax is due or that all inheritance

1 taxes and interest have been paid.

2 39-6-821. Fees; compensation.

3 (a) The commission shall collect the following fees:

4 (i) Five dollars (\$5.00), certificate autho-
5 rizing transfer of stock or securities of a corporation;

6 (ii) Fifteen cents (\$.15) per page, certified
7 copies of records, papers or orders;

8 (iii) Three dollars (\$3.00), certificate show-
9 ing no tax due;

10 (iv) Fifty cents (\$.50), duplicate receipts or
11 certificates.

12 (b) No officer shall receive any additional compen-
13 sation other than as allowed by law, by reason of duties
14 imposed under W.S. 39-6-814 through 39-6-821.

15 Section 2. W.S. 39-6-810 through 39-6-813 are
16 repealed.

17 Section 3. This act shall apply only to the estates
18 of decedents who died on and after July 1, 1984.

1 Section 4. This act is effective July 1, 1984.

2 (END)

Inheritance tax.

84LSO- 0089.L2

FISCAL NOTE

Anticipated REVENUE to:	Fiscal Year 19 85	Fiscal Year 19 86
General fund	\$800,000	\$800,000
TOTAL ESTIMATED REVENUE	\$800,000	\$800,000

Anticipated COST to:	Fiscal Year 19	Fiscal Year 19
TOTAL ESTIMATED COST		

1. According to a spokesman for the Department of Revenue and Taxation, there would be no additional cost or personnel impact at the state level.