DIGEST

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Richard HB No. 123

Abstract: Provides for the apportionment of estate taxes.

Present law provides that when shares or savings accounts are payable to two or more persons and the association pays any one person, it is not liable for any estate, inheritance, or succession taxes due to this state.

Proposed law deletes present law and provides that a pledge of all or part of a savings account or shares owned by two or more persons made to an association by an eligible person, shall be a valid pledge and transfer.

Present law prohibits an association from transferring or paying the withdrawal value of any shares or savings or demand accounts to any heir, legatee, or representative until the inheritance taxes due are paid.

Proposed law deletes present law and authorizes an association to pay to a surviving spouse up to $10,000 of any savings or demand account or shares, without a court order and regardless of whether they are separate or community assets.

Proposed law provides that when a deceased does not arrange for the apportionment of taxes, the tax shall be apportioned among them in proportion to the value of the interest each person bears to the total value of the interests.

Proposed law provides that no beneficial interest in income from a trust and no usufruct shall be subject to apportionment with the principal beneficiary and the naked owner.

Proposed law provides that the person in possession of the property and required to pay the tax, may withhold, prior to distribution, the amount of tax attributable to each person's interest or the court can require interested persons to post a bond for the apportionment liability.

Proposed law provides for exemptions, deductions, and credits in making an apportionment because of a certain relationship to the decedent, previous gift received, or credit for taxes already paid.

Proposed law provides a right of action to recover the original amount of tax apportioned to each person and any additional amounts based on deficiencies in the amount. Provides for a one-year time limitation.

Proposed law provides that if a person required to pay the tax is domiciled outside of this state, he has a right of action for the proportionate amount of the federal estate tax, estate tax payable to another state, or a death duty due to another state.

Proposed law provides that certain provisions of proposed law shall not apply to taxes due on account of the death of a person dying prior to Jan. 1, 1961.

Proposed law provides special provisions and exclusions regarding the estate tax marital deduction for the death of a person after Dec. 31, 1981. Provides that these provisions do not impinge upon the legitime of a forced heir.

Present law provides that no account holder paying benefits from an individual retirement account due to a death shall be liable for any estate, inheritance, or succession taxes due the state.

Proposed law deletes present law and provides that the provisions regarding benefits payable by reason of death from an individual retirement account shall apply regardless of the fact that the decedent designates a beneficiary.

Proposed law provides for retroactive application of the provisions of this Act.

(Amends R.S. 6:765(B) and 767(D) and R.S. 9:2449(B); Adds R.S. 9:2432-2439)