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

New law 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.

Prior law prohibited 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 were paid.

New law 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.

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

New 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.

New 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 may require interested persons to post a bond for the apportionment liability.

New 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.

New law provides a right of action, with a one year time limit, to recover the original amount of tax apportioned to each person and any additional amounts based on deficiencies.

New law provides that if a person required to pay the tax is domiciled outside of 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.

Prior law provided that no account holder paying benefits from an individual retirement account due to a death was liable for any estate, inheritance, or succession taxes due the state.

New law provides that the provisions regarding benefits payable by reason of death from an individual retirement account shall apply regardless of a designated beneficiary.

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

Effective August 15, 2011.

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