



February 24, 2012

**ENGROSSED  
SENATE BILL No. 293**

DIGEST OF SB 293 (Updated February 23, 2012 8:50 am - DI 92)

**Citations Affected:** IC 6-4.1.

**Synopsis:** Inheritance tax. Reclassifies a spouse, widow, or widower of a child of the transferor as a Class A transferee instead of a Class B transferee. Reclassifies a spouse, widow, or widower of a stepchild of the transferor as a Class A transferee instead of a Class C transferee. Provides for a 10 year phase-out of the inheritance tax beginning in 2012. Increases the inheritance tax exemption amounts with respect to taxable transfers resulting from the deaths of individuals dying after June 30, 2012, as follows: (1) from \$100,000 to \$250,000 for Class A transferees; (2) from \$500 to \$25,000 for Class B transferees; and (3) from \$100 to \$25,000 for Class C transferees.

**Effective:** July 1, 2012.

**Smith J, Hershman, Head, Miller,  
Holdman, Randolph, Zakas, Schneider**  
(HOUSE SPONSORS — TURNER, MCMILLIN, GRUBB, WELCH)

January 5, 2012, read first time and referred to Committee on Tax and Fiscal Policy.  
January 26, 2012, amended, reported favorably — Do Pass.  
January 30, 2012, read second time, ordered engrossed. Engrossed.  
January 31, 2012, read third time, passed. Yeas 50, nays 0.

**HOUSE ACTION**

February 9, 2012, read first time and referred to Committee on Ways and Means.  
February 23, 2012, amended, reported — Do Pass.

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ES 293—LS 6859/DI 92+



February 24, 2012

Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 293

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-4.1-1-0.5 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest  
4 transferred by a decedent whose death occurs after June 30, 2022.**
- 5 SECTION 2. IC 6-4.1-1-3, AS AMENDED BY P.L.220-2011,  
6 SECTION 149, IS AMENDED TO READ AS FOLLOWS  
7 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) "Class A transferee" means  
8 a transferee who is any of the following:  
9 (1) **A** lineal ancestor of the transferor.  
10 (2) **A** lineal descendant of the transferor.  
11 (3) **A** stepchild of the transferor, whether or not the stepchild is  
12 adopted by the transferor. This subdivision applies to the estate of  
13 an individual who dies after June 30, 2004.  
14 (4) **A** lineal descendant of a stepchild of the transferor, whether  
15 or not the stepchild is adopted by the transferor.  
16 (5) **A spouse, widow, or widower of a child of the transferor.**  
17 **This subdivision applies to the estate of an individual who dies**

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1 after June 30, 2012.

2 (6) A spouse, widow, or widower of a stepchild of the  
3 transferor, whether or not the stepchild is adopted by the  
4 transferor. This subdivision applies to the estate of an  
5 individual who dies after June 30, 2012.

6 (b) "Class B transferee" means a transferee who is a:

- 7 (1) brother or sister of the transferor;  
8 (2) descendant of a brother or sister of the transferor; or  
9 (3) spouse, widow, or widower of a child of the transferor. **This  
10 subdivision applies to the estate of an individual who dies  
11 before July 1, 2012.**

12 (c) "Class C transferee" means a transferee, except a surviving  
13 spouse, who is neither a Class A nor a Class B transferee.

14 (d) For purposes of this section, a legally adopted child is to be  
15 treated as if the child were the natural child of the child's adopting  
16 parent if the adoption occurred before the individual was totally  
17 emancipated. However, an individual adopted after being totally  
18 emancipated shall be treated as the natural child of the adopting parent  
19 if the adoption was finalized before July 1, 2004.

20 (e) For purposes of this section, if a relationship of loco parentis has  
21 existed for at least ten (10) years and if the relationship began before  
22 the child's fifteenth birthday, the child is to be considered the natural  
23 child of the loco parentis parent.

24 (f) As used in this section, "stepchild" means a child of the  
25 transferor's surviving, deceased, or former spouse who is not a child of  
26 the transferor.

27 SECTION 3. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA CODE  
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
29 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest  
30 transferred by a decedent whose death occurs after June 30, 2022.**

31 SECTION 4. IC 6-4.1-2-1 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) An inheritance  
33 tax is imposed at the time of a decedent's death on certain property  
34 interest transfers made by ~~him~~: **the decedent**. The transfer of a property  
35 interest is subject to the tax if:

- 36 (1) the property transferred is described in:  
37 (i) (A) section 2 of this chapter, if the property is transferred  
38 by a resident decedent; or  
39 (ii) (B) section 3 of this chapter, if the property is transferred  
40 by a nonresident decedent;  
41 (2) the transfer is described in section 4 of this chapter; and  
42 (3) neither the transfer nor the property is exempt from the

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1 inheritance tax under IC 6-4.1-3.

2 (b) For purposes of this article, a transfer described in section 4 of  
3 this chapter is considered a transfer made by the deceased transferor  
4 regardless of when the transferee acquires the property interest.

5 SECTION 5. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA CODE  
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
7 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest  
8 transferred by a decedent whose death occurs after June 30, 2022.**

9 SECTION 6. IC 6-4.1-3-10 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) **With respect  
11 to a taxable transfer or transfers resulting from the death of a  
12 decedent who dies before July 1, 2012**, the first one hundred thousand  
13 dollars (\$100,000) of property interests transferred to a Class A  
14 transferee under a the taxable transfer or transfers is exempt from the  
15 inheritance tax.

16 (b) **With respect to a taxable transfer or transfers resulting  
17 from the death of a decedent who dies after June 30, 2012**, the first  
18 two hundred fifty thousand dollars (\$250,000) of property interests  
19 transferred to a Class A transferee under the taxable transfer or  
20 transfers is exempt from the inheritance tax.

21 SECTION 7. IC 6-4.1-3-11 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) **With respect  
23 to a taxable transfer or transfers resulting from the death of a  
24 decedent who dies before July 1, 2012**, the first five hundred dollars  
25 (\$500) of property interests transferred to a Class B transferee under a  
26 the taxable transfer or transfers is exempt from the inheritance tax.

27 (b) **With respect to a taxable transfer or transfers resulting  
28 from the death of a decedent who dies after June 30, 2012**, the first  
29 twenty-five thousand dollars (\$25,000) of property interests  
30 transferred to a Class B transferee under the taxable transfer or  
31 transfers is exempt from the inheritance tax.

32 SECTION 8. IC 6-4.1-3-12 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12. (a) **With respect  
34 to a taxable transfer or transfers resulting from the death of a  
35 decedent who dies before July 1, 2012**, the first one hundred dollars  
36 (\$100) of property interests transferred to a Class C transferee under a  
37 the taxable transfer or transfers is exempt from the inheritance tax.

38 (b) **With respect to a taxable transfer or transfers resulting  
39 from the death of a decedent who dies after June 30, 2012**, the first  
40 twenty-five thousand dollars (\$25,000) of property interests  
41 transferred to a Class C transferee under the taxable transfer or  
42 transfers is exempt from the inheritance tax.



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1 SECTION 9. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2012]: **Sec. 0.2. This chapter does not apply to a property interest  
4 transferred by a decedent whose death occurs after June 30, 2022.**

5 SECTION 10. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA  
6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply  
8 to a property interest transferred by a decedent whose death  
9 occurs after June 30, 2022.**

10 SECTION 11. IC 6-4.1-5-1.1 IS ADDED TO THE INDIANA  
11 CODE AS A NEW SECTION TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2012]: **Sec. 1.1. (a) This section applies to a  
13 property interest transferred by a decedent whose death occurs  
14 after June 30, 2012.**

15 **(b) For purposes of determining the amount of inheritance tax  
16 imposed under this article, a credit is allowed against the tax  
17 imposed under section 1 of this chapter on a decedent's transfer of  
18 property interests. The amount of the credit equals the inheritance  
19 tax imposed under section 1 of this chapter multiplied by the  
20 percentage prescribed in the following table:**

DATE OF INDIVIDUAL'S DEATH	PERCENTAGE OF CREDIT
23 After June 30, 2012, and 24 before July 1, 2013.....	9%
25 After June 30, 2013, and 26 before July 1, 2014.....	18%
27 After June 30, 2014, and 28 before July 1, 2015.....	27%
29 After June 30, 2015, and 30 before July 1, 2016.....	36%
31 After June 30, 2016, and 32 before July 1, 2017.....	45%
33 After June 30, 2017, and 34 before July 1, 2018.....	55%
35 After June 30, 2018, and 36 before July 1, 2019.....	64%
37 After June 30, 2019, and 38 before July 1, 2020.....	73%
39 After June 30, 2020, and 40 before July 1, 2021.....	82%
41 After June 30, 2021, and 42 before July 1, 2022.....	91%

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1 (c) A person who is liable for inheritance tax imposed under this  
 2 article may claim the credit allowed under this section at the time  
 3 the person pays the tax. When the payment is made, the person  
 4 collecting the tax shall reduce the inheritance tax due by the  
 5 amount of the credit specified in subsection (b).

6 SECTION 12. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA  
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**  
 9 **to a property interest transferred by a decedent whose death**  
 10 **occurs after June 30, 2022.**

11 SECTION 13. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA  
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**  
 14 **to a property interest transferred by a decedent whose death**  
 15 **occurs after June 30, 2022.**

16 SECTION 14. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**  
 19 **to a property interest transferred by a decedent whose death**  
 20 **occurs after June 30, 2022.**

21 SECTION 15. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA  
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply**  
 24 **to a property interest transferred by a decedent whose death**  
 25 **occurs after June 30, 2022.**

26 SECTION 16. IC 6-4.1-11-6 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) The department  
 28 of state revenue shall collect the Indiana estate tax and the interest  
 29 charges imposed under this chapter. The department shall remit the  
 30 money which it collects under this chapter to the state treasurer, and the  
 31 state treasurer shall deposit the money in the state general fund.

32 (b) ~~Before August 15 of each year~~ **Except as provided in**  
 33 **subsection (e), the treasurer of state shall annually distribute to each**  
 34 **county the amount determined under subsection (c) or (d) for the**  
 35 **county. The distribution for a particular state fiscal year must be**  
 36 **made before August 15 of the following state fiscal year.** There is  
 37 appropriated from the state general fund the amount necessary to make  
 38 the distributions under this ~~section~~: **subsection.**

39 (c) **For a state fiscal year ending before July 1, 2012,** the  
 40 department of state revenue shall determine the inheritance tax  
 41 replacement amount for each county using the following formula:

42 STEP ONE: Determine the amount of inheritance tax revenue



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1 retained by each county in each state fiscal year beginning with  
 2 the state fiscal year that began July 1, 1990, and ending with the  
 3 state fiscal year that ends June 30, 1997.

4 STEP TWO: Determine the average annual amount of inheritance  
 5 tax revenue retained by each county using five (5) of the seven (7)  
 6 state fiscal years described in STEP ONE after excluding the two  
 7 (2) years in which each county retained its highest and lowest  
 8 totals of inheritance tax revenue.

9 STEP THREE: Determine the remainder of the STEP TWO  
 10 amount minus the amount of inheritance taxes retained by the  
 11 county during the immediately preceding state fiscal year.

12 **(d) For a state fiscal year beginning after June 30, 2012, and**  
 13 **ending before July 1, 2022, the department of state revenue shall**  
 14 **determine the inheritance tax replacement amount for each county**  
 15 **using the following formula:**

16 **STEP ONE: Determine the inheritance tax replacement**  
 17 **amount distributed to the county for the state fiscal year**  
 18 **beginning after June 30, 2011, and ending before July 1, 2012.**

19 **STEP TWO: Multiply the amount determined under STEP**  
 20 **ONE by the appropriate percentage as follows:**

21 (A) Ninety-one percent (91%) for a state fiscal year  
 22 beginning after June 30, 2012, and ending before July 1,  
 23 2013.

24 (B) Eighty-two percent (82%) for a state fiscal year  
 25 beginning after June 30, 2013, and ending before July 1,  
 26 2014.

27 (C) Seventy-three percent (73%) for a state fiscal year  
 28 beginning after June 30, 2014, and ending before July 1,  
 29 2015.

30 (D) Sixty-four percent (64%) for a state fiscal year  
 31 beginning after June 30, 2015, and ending before July 1,  
 32 2016.

33 (E) Fifty-five percent (55%) for a state fiscal year  
 34 beginning after June 30, 2016, and ending before July 1,  
 35 2017.

36 (F) Forty-five percent (45%) for a state fiscal year  
 37 beginning after June 30, 2017, and ending before July 1,  
 38 2018.

39 (G) Thirty-six percent (36%) for a state fiscal year  
 40 beginning after June 30, 2018, and ending before July 1,  
 41 2019.

42 (H) Twenty-seven percent (27%) for a state fiscal year

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1                    **beginning after June 30, 2019, and ending before July 1,**  
 2                    **2020.**  
 3                    **(I) Eighteen percent (18%) for a state fiscal year beginning**  
 4                    **after June 30, 2020, and ending before July 1, 2021.**  
 5                    **(J) Nine percent (9%) for a state fiscal year beginning after**  
 6                    **June 30, 2021, and ending before July 1, 2022.**  
 7                    **(e) A county is not entitled to a distribution under subsection (b)**  
 8                    **for a state fiscal year beginning after June 30, 2022.**  
 9                    SECTION 17. IC 6-4.1-12-0.5 IS ADDED TO THE INDIANA  
 10                    CODE AS A NEW SECTION TO READ AS FOLLOWS  
 11                    [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. (a) For an individual who**  
 12                    **dies after June 30, 2022, there is no inheritance tax imposed on the**  
 13                    **decedent's transfer of property interests.**  
 14                    **(b) Sections 1 through 12 of this chapter do not apply to a**  
 15                    **property interest transferred by a decedent whose death occurs**  
 16                    **after June 30, 2022.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 293, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 12, delete lines 40 through 42.

Delete pages 13 through 17.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 293 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 293, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-4.1-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**".

Page 2, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 3. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 4. IC 6-4.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) An inheritance tax is imposed at the time of a decedent's death on certain property interest transfers made by ~~him~~: **the decedent**. The transfer of a property interest is subject to the tax if:

- (1) the property transferred is described in:

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- (i) (A) section 2 of this chapter, if the property is transferred by a resident decedent; or
- (ii) (B) section 3 of this chapter, if the property is transferred by a nonresident decedent;
- (2) the transfer is described in section 4 of this chapter; and
- (3) neither the transfer nor the property is exempt from the inheritance tax under IC 6-4.1-3.

(b) For purposes of this article, a transfer described in section 4 of this chapter is considered a transfer made by the deceased transferor regardless of when the transferee acquires the property interest.

SECTION 5. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 7. IC 6-4.1-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) **With respect to a taxable transfer or transfers resulting from the death of a decedent who dies before July 1, 2012**, the first one hundred thousand dollars (\$100,000) of property interests transferred to a Class A transferee under a the taxable transfer or transfers is exempt from the inheritance tax.

(b) **With respect to a taxable transfer or transfers resulting from the death of a decedent who dies after June 30, 2012**, the first two hundred fifty thousand dollars (\$250,000) of property interests transferred to a Class A transferee under the taxable transfer or transfers is exempt from the inheritance tax.

SECTION 8. IC 6-4.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) **With respect to a taxable transfer or transfers resulting from the death of a decedent who dies before July 1, 2012**, the first five hundred dollars (\$500) of property interests transferred to a Class B transferee under a the taxable transfer or transfers is exempt from the inheritance tax.

(b) **With respect to a taxable transfer or transfers resulting from the death of a decedent who dies after June 30, 2012**, the first twenty-five thousand dollars (\$25,000) of property interests transferred to a Class B transferee under the taxable transfer or transfers is exempt from the inheritance tax.

SECTION 9. IC 6-4.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12. (a) **With respect to a taxable transfer or transfers resulting from the death of a decedent who dies before July 1, 2012**, the first one hundred dollars (\$100) of property interests transferred to a Class C transferee under a



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the taxable transfer or transfers is exempt from the inheritance tax.

**(b) With respect to a taxable transfer or transfers resulting from the death of a decedent who dies after June 30, 2012, the first twenty-five thousand dollars (\$25,000) of property interests transferred to a Class C transferee under the taxable transfer or transfers is exempt from the inheritance tax.**

SECTION 10. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.2. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 11. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 12. IC 6-4.1-5-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 1.1. (a) This section applies to a property interest transferred by a decedent whose death occurs after June 30, 2012.**

**(b) For purposes of determining the amount of inheritance tax imposed under this article, a credit is allowed against the tax imposed under section 1 of this chapter on a decedent's transfer of property interests. The amount of the credit equals the inheritance tax imposed under section 1 of this chapter multiplied by the percentage prescribed in the following table:**

DATE OF INDIVIDUAL'S DEATH	PERCENTAGE OF CREDIT
After June 30, 2012, and before July 1, 2013.....	9%
After June 30, 2013, and before July 1, 2014.....	18%
After June 30, 2014, and before July 1, 2015.....	27%
After June 30, 2015, and before July 1, 2016.....	36%
After June 30, 2016, and before July 1, 2017.....	45%
After June 30, 2017, and before July 1, 2018.....	55%
After June 30, 2018, and	



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before July 1, 2019..... 64%  
 After June 30, 2019, and  
 before July 1, 2020..... 73%  
 After June 30, 2020, and  
 before July 1, 2021..... 82%  
 After June 30, 2021, and  
 before July 1, 2022..... 91%

(c) A person who is liable for inheritance tax imposed under this article may claim the credit allowed under this section at the time the person pays the tax. When the payment is made, the person collecting the tax shall reduce the inheritance tax due by the amount of the credit specified in subsection (b).

SECTION 13. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 14. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 15. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 16. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022.**

SECTION 17. IC 6-4.1-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) The department of state revenue shall collect the Indiana estate tax and the interest charges imposed under this chapter. The department shall remit the money which it collects under this chapter to the state treasurer, and the state treasurer shall deposit the money in the state general fund.

(b) Before August 15 of each year Except as provided in subsection (e), the treasurer of state shall annually distribute to each county the amount determined under subsection (c) or (d) for the county. The distribution for a particular state fiscal year must be

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**made before August 15 of the following state fiscal year.** There is appropriated from the state general fund the amount necessary to make the distributions under this ~~section~~: **subsection.**

(c) **For a state fiscal year ending before July 1, 2012,** the department of state revenue shall determine the inheritance tax replacement amount for each county using the following formula:

STEP ONE: Determine the amount of inheritance tax revenue retained by each county in each state fiscal year beginning with the state fiscal year that began July 1, 1990, and ending with the state fiscal year that ends June 30, 1997.

STEP TWO: Determine the average annual amount of inheritance tax revenue retained by each county using five (5) of the seven (7) state fiscal years described in STEP ONE after excluding the two (2) years in which each county retained its highest and lowest totals of inheritance tax revenue.

STEP THREE: Determine the remainder of the STEP TWO amount minus the amount of inheritance taxes retained by the county during the immediately preceding state fiscal year.

(d) **For a state fiscal year beginning after June 30, 2012, and ending before July 1, 2022,** the department of state revenue shall determine the inheritance tax replacement amount for each county using the following formula:

STEP ONE: Determine the inheritance tax replacement amount distributed to the county for the state fiscal year beginning after June 30, 2011, and ending before July 1, 2012.

STEP TWO: Multiply the amount determined under STEP ONE by the appropriate percentage as follows:

(A) Ninety-one percent (91%) for a state fiscal year beginning after June 30, 2012, and ending before July 1, 2013.

(B) Eighty-two percent (82%) for a state fiscal year beginning after June 30, 2013, and ending before July 1, 2014.

(C) Seventy-three percent (73%) for a state fiscal year beginning after June 30, 2014, and ending before July 1, 2015.

(D) Sixty-four percent (64%) for a state fiscal year beginning after June 30, 2015, and ending before July 1, 2016.

(E) Fifty-five percent (55%) for a state fiscal year beginning after June 30, 2016, and ending before July 1, 2017.

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**(F) Forty-five percent (45%) for a state fiscal year beginning after June 30, 2017, and ending before July 1, 2018.**

**(G) Thirty-six percent (36%) for a state fiscal year beginning after June 30, 2018, and ending before July 1, 2019.**

**(H) Twenty-seven percent (27%) for a state fiscal year beginning after June 30, 2019, and ending before July 1, 2020.**

**(I) Eighteen percent (18%) for a state fiscal year beginning after June 30, 2020, and ending before July 1, 2021.**

**(J) Nine percent (9%) for a state fiscal year beginning after June 30, 2021, and ending before July 1, 2022.**

**(e) A county is not entitled to a distribution under subsection (b) for a state fiscal year beginning after June 30, 2022.**

SECTION 18. IC 6-4.1-12-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. (a) For an individual who dies after June 30, 2022, there is no inheritance tax imposed on the decedent's transfer of property interests.**

**(b) Sections 1 through 12 of this chapter do not apply to a property interest transferred by a decedent whose death occurs after June 30, 2022."**

Delete pages 3 through 12.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 293 as printed January 27, 2012.)

ESPICH, Chair

Committee Vote: yeas 22, nays 3.

C  
O  
P  
Y

