NORTH CAROLINA GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 1229

SHORT TITLE: Abolish Inheritance Tax Waivers

SPONSOR(S): Senators Kerr, Cochrane, Dalton, Hartsell, Hoyle, and Webster.

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

REVENUES No expected General Fund impact

EXPENDITURES

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Inheritance and Estate Tax Divisions of the Department of Revenue.

EFFECTIVE DATE: July 1, 1998

BILL SUMMARY: When a person dies, current law requires that the Department of Revenue be notified of any accounts, stocks, and bonds held in the name of the decedent. They must also be informed of the contents in the decedent's lock or safe-deposit box. The Department then issues inheritance tax waivers authorizing the bank or financial institution in possession of the decedent's property to transfer or release the property. The bill deletes all language in G.S. 105-24 requiring inheritance tax waivers. The bill retains the requirement that the Secretary of Revenue be notified of payments from certain life insurance policies, annuities, and IRAs. Notification is not required if the payment or distribution is to a surviving spouse, or if a payment of less than \$100,00 is made to a Class A beneficiary. This bill is a recommendation of the Revenue Laws Study Committee.

ASSUMPTIONS AND METHODOLOGY: No revenue impact is expected as a result of this proposal.

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DATE: June 17, 1998

Official
Fiscal Research Division
Publication

Signed Copy Located in the NCGA Principal Clerk's Offices