CHAPTER NO. 636.

HOUSE BILL NO. 269

INTRODUCED BY YARDLEY, DUSSAULT, SCULLY, EUDAILY

IN THE HOUSE

	IN THE HOU	126
January 19, 1979		Introduced and referred to Committee on Judiciary.
January 25, 1979		Rereferred to Committee on Taxation.
March 22, 1979		Committee recommend bill do pass as amended. Report adopted.
March 24, 1979		Printed and placed on members' desks.
March 26, 1979		Second reading, do pass.
March 27, 1979		Considered correctly engrossed.
		Third reading, passed. Transmitted to second house.
	IN THE SEN	IATE
March 27, 1979		Introduced and referred to Committee on Taxation.
April 6, 1979		Committee recommend bill be concurred in. Report adopted.
April 9, 1979		Second reading, concurred in.
April 11, 1979		Third reading, concurred in.
	IN THE HOU	JSE
April 12, 1979		Returned from second house. Concurred in. Sent to enrolling.

Reported correctly enrolled.

1 House Bill No. 269
2 INTRODUCED BY Market States Almand States Almand

A BILL FOR AN ACT ENTITLEO: "AN ACT TO REMOVE THE DISTINCTION FOR INHERITANCE TAX PURPOSES BETWEEN A SURVIVING JOINT TENANT WHO IS THE SPOUSE OF THE DECEDENT AND ONE WHO IS NOT; AMENDING SECTION 72-16-303, MCA."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 72-16-303, MCA, is amended to read:
#72-16-303. Joint estates -- transfer by right of
survivorship taxable. (1) Whenever any property, however
acquired, real or personal, tangible or intangible,
including government bonds of the United States, is
inscribed in co-ownership form, held by two or more persons
in joint tenancy or as tenants by the entirety, or is
deposited in any bank or other depositary in the joint names
of two or more persons and payable to the survivor or
survivors of them upon the death of one of them, the right
of the survivor or survivors to the immediate possession or
ownership is a taxable transfer.

(2) The tax is upon the transfer of decedent's interest, one-half or other proper fraction, as evidenced by the written instrument creating the same, as though the property to which the transfer relates belonged to the joint

tenants, tenants by the entirety, joint depositors, holders in co-ownership form, or persons, as tenants in common and 3 had been, for inheritance tax purposes, bequeathed or devised to the survivor or survivors by will except such part thereof as may be shown to have originally belonged to the survivor and never to have belonged to the decedent when the-surviving-joint-tenent-is-a-spouse-of-the--decedenty--In all--other--cases--the--full--value-of-the-property-shall-be taxable---except--such--portion--thereof---that---originally 10 belonged--to--the--survivor-end-es-te-which-the-decedent-had 11 made--no--contribution:--if--the---decedent---had---made---a 12 contribution--to--the-ownership-of-such-propertyy-the-amount 13 of-such-contribution-shall-be-taxable.

(3) This section shall not be construed to repeal or modify the provisions of 72-16-301(3)."

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-End-

STATE OF MONTANA

REQUEST NO	81-79
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FISCAL NOTE

Form BD-15

In	compliance	with	a written	request re	eceived .	January 2	.2,	19_79	, there is	hereby	submitted	a Fiscal	Note
for	House	Bill	269		_ pursuar	nt to Chapter 53	3, Laws of M	ontana, 19	65 - Thirty	-Ninth I	Legislative A	Assembly	
Ba	ckground inf	ormat	ion used in	developir	ng this Fi	scal Note is ava	ilable from t	ne Office o	of Budget a	ınd Prog	ram Plannir	ig, to me	mbers
of	the Legislati	ure up	on reques	t.									

DESCRIPTION

This bill is to remove the distinction for Inheritance Tax purposes between a surviving joint tenant who is the spouse of the decedent and one who is not.

ASSUMPTIONS

- 1) The Department of Revenue Projections of \$6.167 M in FY80 and \$6.333 M in FY81 for inheritance tax are correct.
- 2) There is an 18 month lag from effective date to impact. The time period from date of inheritance tax is 18 months.
- 3) The impact of the proposal if in effect for an entire year will be a loss in revenues of \$2 million.
- 4) Inheritance tax collections are homogenous, the collections are spread evenly throughout the year.

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FISCAL IMPACT

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Inheritance tax	**********	 .
under current law	No Impact	\$6.333 M
under proposed law	No Impact	5.333 M
Estimated Decrease	No Impact	$(\overline{1.000})$ M
GENERAL FUND		
and the state of t	FY80	FY81
Inheritance tax		
under current law	No Impact	\$6.333 M
under proposed law	No Impact	5.333 M
Estimated Decrease	No Impact	(1.000) M

EFFECT ON LOCAL GOVERNMENTS

No Impact

LONG-RANGE EFFECTS

When this proposal is in effect for an entire year the impact will be a loss in revenue of \$2 million each year it is in effect.

BUDGET DIRECTOR

Office of Budget and Program Planning

Richard L. Fran

Date: //15/79

STATE OF MONTANA

REOL	IECT	NI O	81-	-79

FISCAL NOTE

Form BD-15

In compliance with a written request received April 2 , 19 79 , there is hereby submitted a Fiscal Note for House Bill 269 (Third Reading Version) Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill is to remove the distinction for Inheritance Tax purposes between a surviving joint tenant who is the spouse of the decedent and one who is an issue.

ASSUMPTIONS

- 1) The Department of Revenue projections of \$6.167 M in FY 80 and \$6.333 M in FY 81 for Inheritance Tax are correct.
- 2) There is an 18 month lag from effective date to impact (18 months is the time period from date of death to due date of inheritance taxes).
- 3) The impact of the proposal, if in effect for an entire year, will be a loss in revenues of \$1.2 million.
- 4) Inheritance tax collections are homogeneous; the collections are spread evenly throughout the year.

FISCAL IMPACT

	FY 8U	FY 81
Inheritance Tax		
under current law	No Impact	\$6.333 M
under proposed law	No Impact	5.733 M
Estimated Decrease	No Impact	(<u>\$.600 M</u>)
FUND INFORMATION		

General Fund

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under current law	No Impact	\$6.333 M
under proposed law	No Impact	5.733 M
Estimated Decrease	No Impact	(\$.600 M)

EFFECT ON LOCAL GOVERNMENTS

No Impact

LONG-RANGE EFFECTS

When this proposal is in effect for an entire year the impact will be a loss in revenues of \$1.2 million each year it is in effect.

PREPARED BY DEPARTMENT OF REVENUE

Rush and d. Inaufan BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 4/3/79

46th Legislature HB 0269/02

Approved by Committee on Taxation

1	HOUSE BILL NO. 269
2	INTRODUCED BY YARDLEY, DUSSAULT, SCULLY, EUDAILY
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
5	DISTINCTION FOR INHERITANCE TAX PURPOSES BETWEEN A SURVIVING
6	JOINT TENANT WHO IS THE SPOUSE OF THE DECEDENT AND ONE WHO
7	#5-NOT IS AN ISSUE; AMENDING SECTION 72-16-303, MCA.
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 72-16-303, MCA, is amended to read:
11	M72-16-303. Joint estates transfer by right of
12	survivorship taxable. (1) Whenever any property, however
13	acquired, real or personal, tangible or intangible,
14	including government bonds of the United States, is
15	inscribed in co-ownership form, held by two or more persons
16	in joint tenancy or as tenants by the entirety, or is
17	deposited in any bank or other depositary in the joint names
18	of two or more persons and payable to the survivor or
19	survivors of them upon the death of one of them. the right
20	of the survivor or survivors to the immediate possession or
21	ownership is a taxable transfer.
22	(2) The tax is upon the transfer of decedent's
23	interest, one-half or other proper fraction, as evidenced by
24	the written instrument creating the same, as though the
25	property to which the transfer relates belonged to the joint

ı tenants, tenants by the entirety, joint depositors, holders 2 in co-ownership form, or persons, as tenants in common and 3 had been, for inheritance tax purposes, bequeathed or devised to the survivor or survivors by will, except such 5 part thereof as may be shown to have originally belonged to 6 the survivor and never to have belonged to the decedent when 7 the-surviving-joint-tenant-is-a-spouse-of-the--decedent---in 8 all--other--cases--the--full--value-of-the-property-shall-be 9 taxable---except--such--portion--thereof---that---originally 10 belonged--to--the--survivor-ond-as-to-which-the-decedent-had 11 mode--no--contribution; --if--the---docedent---had---made---a 12 contribution-to-the-ownership-of-such-propertyy-the-emount 13 of-such-contribution-shall-be-texable WHEN_INE_SURVIVING 14 JOINT TENANT IS A SPOUSE OR ISSUE OF THE DECEDENT. IN ALL 15 OTHER CASES. THE FULL VALUE OF THE PROPERTY SHALL BE 16 IAXABLE . EXCEPT THE PORTION THEREOF THAT ORIGINALLY BELONGED 17 IO THE SURVIVOR AND AS TO WHICH THE DECEDENT HAD MADE NO 18 CONTRIBUTION: IE THE DECEDENT HAD MADE A CONTRIBUTION TO THE 19 OWNERSHIP OF THE PROPERTY. THE AMOUNT OF THE CONTRIBUTION 20 SHALL BE TAXABLE.

-End-

modify the provisions of 72-16-301(3)."

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(3) This section shall not be construed to repeal or

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HB 0269/02

46th Legislature HB 0269/02

HB 0269/02

HOUSE	BILL	NG.	269

INTRODUCED BY YARDLEY, DUSSAULT, SCULLY, EUDAILY

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-End-

modify the provisions of 72-16-301(3)."

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HB 0269/03 HB 0269/03

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17	deposited in any bank or other depositary in the joint names
18	of two or more persons and payable to the survivor or
19	survivors of them upon the death of one of them, the right
20	of the survivor or survivors to the immediate possession or
21	ownership is a taxable transfer.
22	(2) The tax is whom the transfer of decedent's

interest, one-half or other proper fraction, as evidenced by

the written instrument creating the same, as though the

property to which the transfer relates belonged to the joint

46th Legislature

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2	in co-ownership form, or persons, as tenants in common and
3	had been, for inheritance tax purposes, bequeathed or
4	devised to the survivor or survivors by will, except such
5	part thereof as may be shown to have originally belonged to
6	the survivor and never to have belonged to the decedent when
7	the-surviving-joint-tenent-is-a-spouse-of-thedecedenteIn
8	ellothercasesthefullvalue-of-the-property-shall-be
9	texableyexceptsuchportionthereofthetoriginally
10	belongedtothesurvivor-and-as-to-which-the-decedent-had
11	medenocontribution;ifthedecedenthedmedes
12	contribution-to-the-ownership-of-such-propertyy-the-amount
13	WIVIVAL AH IN WELDER - DE - FEBRE - NO FEBRE
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15	OTHER CASES. THE FULL VALUE OF THE PROPERTY SHALL BE
16	TAXABLE. EXCEPT THE PORTION THEREOF THAT ORIGINALLY BELONGED
17	TO THE SURVIVOR AND AS TO WHICH THE DECEDENT HAD MADE NO
8	CONTRIBUTION: IF THE DECEDENT HAD MADE A CONTRIBUTION TO THE
19	OWNERSHIP OF THE PROPERTY. THE AMOUNT OF THE CONTRIBUTION
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-End-

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modify the provisions of 72-16-301(3).**