

## **Inheritance Tax**

**Time for filing inheritance tax return.** For decedents dying on after July 1, 2001, to: inheritance tax return is required to be filed within nine months of the date of death rather than one year as for earlier decedent. The probate court still has authority to extend the time for filing and to waive the penalty for late filing

**Notices and Hearings.** The assessor is required to give notice of the time and place of the appraisal to each person interested in the estate and to each person designated by the probate court. In most cases this force is waived.

**Time for payment of inheritance tax.** For decedents dying on or after July 1, 2001, payment of inheritance tax must be made within nine months of the date of death to obtain the five percent discount. Payments made more the one-year after date of death are subject to interest from date of death until date of payment at ten percent per annum for decedents dying on or after July 1, 2001. The probate court still has authority to reduce much interest from ten to six percent.

**Time for payment of Indiana estate tax and Indiana generation skipping transfer tax.** Payment of Indiana estate tax and Indiana generation skipping transfer tax is due twelve months after date of death for decedents dying on or after July 1, 2001. For decedents dying earlier, the due date is 18 months after date of death.

**Affidavit of no inheritance tax due.** The provisions for in former affidavit of inheritance tax exemptions were repealed and the department is to prescribe another affidavit form. The new form maybe used to state that no inheritance tax is due after applying the inheritance tax exemptions. Pursuant to the 2001 legislation, the department and the county assessors may rely on This affidavit in determining whether a transfer will jeopardize collection of inheritance tax and whether to consent to the transfer of personal property. 'Flu's affidavit |2 be available only for estates in which tie total value of property transferred to each transferee is not greater than the transferee's exemption then the affidavit is not available for that decedent's estate. If by transferee of a decedent receives property with a value greater than that transferee's exemption, own the affidavit for that decedent's estate. If the affidavit concerns real estate and contains the legal description of such real estate, the affidavit may be recorded in the office of the catty recorder. It is to be presumed that no inheritance tax is due ad no inheritance tax return is required to be filed where such an affidavit is properly executed and is either recorded in decedent's city of residence or submitted to be county assessor to obtain a consent to transfer.

**Family Allowance.** The family allowance provided by Indiana code 29-1-4-1 was increased from \$15,000 to \$ 25,000.

**Inventory of Safe Deposit boxes.** The 1999 Legislature amended the safe deposit box inventory requirement by eliminating the requirement as to boxes of decedents dying after June 30. 1999.

## Inheritance Tax Exemptions and Rates

### 1) Class A Beneficiaries

#### a) Exemptions

Adult Child	\$100,000
Minor Child	\$100,000
Parent	\$100,000
Other lineal ancestor or descendant	\$100,000

#### b) Tax Rates

0 –25,000	1% of net taxable value
25,000 – 49,999	\$250 plus 2% of net over \$25,000
50,000 – 199,999	\$750 plus 3% of net over \$50,000
200,000 – 299,999	\$5,250 plus 4% of net over \$200,000
300,000 – 499,999	\$9,250 plus 5% of net over \$300,000
500,000 – 699,999	\$19,250 plus 6% of net over \$500,000
700,000 – 999,999	\$31,250 plus 7% of net over \$700,000
1,000,000 – 1,500,000	\$52,250 plus 8% of net over \$1,000,000
1,500,000	\$92,250 plus 10% of net over 1,500,000

### 2) Class B Beneficiaries

#### a) Exemptions

Brother or Sister	
Descendant of Brother or Sister	\$500,000
Son or Daughter-In-Law	

#### b) Tax Rates

0 –99,999	7% of net taxable value
100,000 – 499,999	\$7,000 plus 10% of net over \$100,000
500,000 – 1,000,000	\$47,000 plus 12% of net over \$500,000
1,000,000	\$107,000 plus 15% of net over \$1,000,000