

2012 -- H 7491

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LC01117  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TAXATION - ESTATE AND TRANSFER TAXES - LIABILITY AND  
COMPUTATION

Introduced By: Representatives Ruggiero, Trillo, Gallison, Silva, and Naughton

Date Introduced: February 09, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-22-1.1 of the General Laws in Chapter 44-22 entitled "Estate  
2 and Transfer Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-22-1.1. Tax on net estate of decedent.** -- (a) (1) For decedents whose death occurs on  
4 or after January 1, 1992, but prior to January 1, 2002, a tax is imposed upon the transfer of the net  
5 estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a  
6 sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. section 2011.

7 (2) For decedents whose death occurs on or after January 1, 2002, but prior to January 1,  
8 ~~2010~~ 2013 a tax is imposed upon the transfer of the net estate of every resident or nonresident  
9 decedent as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for  
10 state death taxes allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001;  
11 provided, however, that the tax shall be imposed only if the net taxable estate shall exceed six  
12 hundred seventy-five thousand dollars (\$675,000). Any scheduled increase in the unified credit  
13 provided in 26 U.S.C. section 2010 in effect on January 1, 2001, or thereafter, shall not apply.

14 (3) For decedents whose death occurs on or after ~~January 1, 2010~~ December 31, 2012, a  
15 tax is imposed upon the transfer of the net estate of every resident or nonresident decedent as a  
16 tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death taxes  
17 allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001; provided, however,  
18 ~~that the tax shall be imposed only if the net taxable estate shall exceed eight hundred and fifty~~

1 ~~thousand dollars (\$850,000);~~ that a credit shall be allowed against any tax so determined in the  
2 amount of thirty-three thousand two hundred dollars (\$33,200) provided, further, beginning on  
3 January 1, ~~2011~~ 2014 and each January 1 thereafter, said amount shall be adjusted by the  
4 percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as  
5 published by the United States Department of Labor Statistics determined as of September 30 of  
6 the prior calendar year; said adjustment shall be compounded annually and shall be rounded up to  
7 the nearest five dollar (\$5.00) increment. Any scheduled increase in the unified credit provided in  
8 26 U.S.C. section 2010 in effect on January 1, 2003, or thereafter, shall not apply.

9 (b) If the decedent's estate contains property having a tax ~~situs~~ status not within the state,  
10 then the tax determined by this section is reduced to an amount determined by multiplying the tax  
11 by a fraction whose numerator is the gross estate excluding all property having a tax ~~situs~~ status  
12 not within the state at the decedent's death and whose denominator is the gross estate. In  
13 determining the fraction, no deductions are considered and the gross estate is not reduced by a  
14 mortgage or other indebtedness for which the decedent's estate is not liable.

15 (c) (1) The terms "gross taxable estate", "federal gross estate" or "net taxable estate" used  
16 in this chapter or chapter 23 of this title has the same meaning as when used in a comparable  
17 context in the laws of the United States, unless a different meaning is clearly required by the  
18 provisions of this chapter or chapter 23 of this title. Any reference in this chapter or chapter 23 of  
19 this title to the Internal Revenue Code or other laws of the United States means the Internal  
20 Revenue Code of 1954, 26 U.S.C. section 1 et seq.

21 (2) For decedents whose death occurs on or after January 1, 2002, the terms "gross  
22 taxable estate" "federal gross estate" or "net taxable estate" used in this chapter or chapter 23 of  
23 this title has the same meaning as when used in a comparable context in the laws of the United  
24 States, unless a different meaning is clearly required by the provisions of this chapter or chapter  
25 23 of this title. Any reference in this chapter or chapter 23 of this title to the Internal Revenue  
26 Code or other laws of the United States means the Internal Revenue Code of 1954, 26 U.S.C.  
27 section 1 et seq., as they were in effect as of January 1, 2001, unless otherwise provided.

28 (d) All values are as finally determined for federal estate tax purposes.

29 (e) Property has a tax ~~situs~~ status within the state of Rhode Island:

30 (1) If it is real estate or tangible personal property and has actual ~~situs~~ status within the  
31 state of Rhode Island; or

32 (2) If it is intangible personal property and the decedent was a resident.

1           SECTION 2. This act shall take effect upon passage and it shall apply to the estates of  
2   decedents dying after December 31, 2012.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would allow for a credit against the Rhode Island estate tax of thirty-three  
2 thousand two hundred dollars (\$33,200) for decedents dying after December 31, 2012. This  
3 credit is equivalent to an estate tax exemption of one million dollars (\$1,000,000) for decedents  
4 dying after December 31, 2012.

5           This act would take effect upon passage and it would apply to the estates of decedents  
6 dying after December 31, 2012.

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