

February 15, 1951.
Passed on File.

Senate File 353
By DAILEY.

Passed Senate, Date.....
Vote: Ayes..... Nays.....
Passed House, Date

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act to amend chapter four hundred fifty (450), Code 1950,
relating to inheritance tax as applicable to trusts.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Chapter four hundred fifty (450), Code 1950,
2 is amended by inserting therein the following new section:
3 "Whenever a remainder interest in the corpus of an
4 estate or testamentary trust has been inherited by devise
5 or descent prior to January 1, 1930, and any person or
6 persons so inheriting shall show the court that he or they
7 do not have sufficient funds to pay the inheritance tax
8 due under this chapter or estate taxes due to the United
9 States government without borrowing against or selling the
10 remainder interest, the court shall upon the presentation of
11 a petition, signed by the owners of fifty-five percent (55%)
12 of the remainder interest of the estate, in which the remainder
13 interest above mentioned exists, and by one (1) or more of
14 the life beneficiaries of said estate or trust, order a
15 termination of said trust and a distribution of trust funds.
16 Unless the parties in interest shall all agree upon the

17 method and manner of said distribution, the court shall
18 equitably apportion the principal of the trust among the life
19 beneficiaries and remaindermen, having regard to the average
20 net income of said trust property and the life expectancy
21 of said life tenants. The words 'life beneficiaries', when
22 used herein, shall include any person or persons entitled
23 to receive income from the trust property during such person
24 or person's lifetime, or for a term of years."