

February 28, 1963.

Passed on File. *Nays & Means 3/11*

Failed to Pass

Passed House, Date *4-30-63*

Vote: Ayes *53* Nays *47*

Approved.....

House File 499

By STANLEY, MENSING,
KNOWLES and KLUEVER.

Passed Senate, Date.....

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

A BILL FOR

An Act to clarify the exemption of certain proceeds of life insurance from inheritance tax.

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

- 1 Section 1. The proceeds of insurance on the life of an
- 2 individual payable to a named beneficiary or trustee, inter
- 3 vivos or testamentary, shall not be subject to inheritance
- 4 tax.

EXPLANATION OF HOUSE FILE 499

The purpose of this bill is to clarify the exemption of a life insurance policy from inheritance taxes.

For many years the present law has been generally interpreted to exempt life insurance proceeds payable to a named beneficiary or a trustee. Now, however, the tax commission has questioned this practice. This clarification is needed to prevent a great deal of confusion and litigation.