

JAN 26 2001  
WAYS AND MEANS

HOUSE FILE III  
BY JOHNSON, KETTERING, HUSEMAN,  
SUKUP, EICHHORN, ALONS,  
and HOFFMAN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the exemption from the inheritance tax of  
2 property passing to a brother or sister of the decedent and  
3 including an applicability date provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 450.7, subsection 1, unnumbered  
2 paragraph 1, Code 2001, is amended to read as follows:

3 Except for the share of the estate passing to the surviving  
4 spouse, and parents, grandparents, great-grandparents, and  
5 other lineal ascendants, children including legally adopted  
6 children and biological children entitled to inherit under the  
7 laws of this state, stepchildren, and grandchildren, great-  
8 grandchildren, and other lineal descendants, and brothers and  
9 sisters and their lineal descendants, the tax is a charge  
10 against and a lien upon the estate subject to tax under this  
11 chapter, and all property of the estate or owned by the  
12 decedent from the death of the decedent until paid, subject to  
13 the following limitation:

14 Sec. 2. Section 450.9, Code 2001, is amended to read as  
15 follows:

16 450.9 INDIVIDUAL EXEMPTIONS.

17 In computing the tax on the net estate, the entire amount  
18 of property, interest in property, and income passing to the  
19 surviving spouse, and parents, grandparents, great-  
20 grandparents, and other lineal ascendants, children including  
21 legally adopted children and biological children entitled to  
22 inherit under the laws of this state, stepchildren, and  
23 grandchildren, great-grandchildren, and other lineal  
24 descendants, and brothers and sisters and their lineal  
25 descendants are exempt from tax.

26 Sec. 3. Section 450.10, subsection 1, unnumbered paragraph  
27 1, Code 2001, is amended to read as follows:

28 When the property or any interest in property, or income  
29 from property, taxable under the provisions of this chapter,  
30 passes to the ~~brother-or-sister~~, son-in-law, or daughter-in-  
31 law, the rate of tax imposed on the individual share so  
32 passing shall be as follows:

33 Sec. 4. Section 450.10, subsection 6, Code 2001, is  
34 amended to read as follows:

35 6. Property, interest in property, or income passing to

1 the surviving spouse, and parents, grandparents, great-  
2 grandparents, and other lineal ascendants, children including  
3 legally adopted children and biological children entitled to  
4 inherit under the laws of this state, stepchildren, and  
5 grandchildren, great-grandchildren, and other lineal  
6 descendants, and brothers and sisters and their lineal  
7 descendants, is not taxable under this section.

8 Sec. 5. APPLICABILITY. This Act applies to estates of  
9 decedents dying on or after July 1, 2001.

10 EXPLANATION

11 This bill exempts brothers and sisters of a decedent and  
12 their lineal descendants from the inheritance tax on property  
13 passing to them from the decedent.

14 The bill applies to estates of decedents dying on or after  
15 July 1, 2001.

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