

SHORT TITLE: Revenue and taxation; allowing credit against estate tax liability; specifying amounts; modifying amount of money which may be paid out upon notification; estate tax tables; effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 1220

By: Gustafson

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Sections 802.1, as amended by Section 1, Chapter 334, O.S.L. 1996, 803, 804 and 809, as amended by Sections 2 and 3, Chapter 334, O.S.L. 1996, 812, as last amended by Section 4, Chapter 334, O.S.L. 1996 and 825 (68 O.S. Supp. 1997, Sections 802.1, 804, 809 and 812), which relate to estate taxes; providing that certain credit not allowed for certain estates; modifying rate of estate tax; restricting tax to certain levy for certain estates; providing for certain credits against estate tax liability; specifying amounts thereof; modifying definition; modifying amount of money which may be released or paid out by financial institution after notification to Oklahoma Tax Commission; deleting language prescribing estate tax tables and examples; requiring Tax Commission to promulgate certain rules providing for estate tax tables; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 1991, Section 802.1, as amended by Section 1, Chapter 334, O.S.L. 1996 (68 O.S. Supp. 1997, Section 802.1), is amended to read as follows:

Section 802.1 A credit to the tax levied by Section 802 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be allowed for all or a part of the Oklahoma estate tax paid with respect to the transfer of property, including property passing as a result of the exercise or nonexercise of a power of appointment, to the present decedent by or from a person who died within ten (10) years before, or within two (2) years after, the present decedent. The credit shall be computed in the same manner as provided by Section 2013 of the Internal Revenue Code of 1954, as amended. The credit allowed pursuant to the provisions of this section shall not be allowed for estates of decedents who die on or after January 1, 2003.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 803, is amended to read as follows:

Section 803. ~~The~~ For the estate of a decedent who dies before January 1, 2003, the rate of tax upon the net estate and transfers, as defined and determined under Section 801 et seq. of this Article ~~title~~, shall be determined and computed as follows:

~~1. Upon the net estate and transfers passing to the father, mother, child, child of husband or wife, adopted child, or any lineal descendant of decedent or of such adopted child, the rate shall be as follows:~~

~~(a) Five-tenths~~ One-half percent (0.5%) of the value of the net estate not in excess of Ten Thousand Dollars (\$10,000.00) ~~;~~;

~~(b) 2.~~ 2. One percent (1%) of the value of the net estate in excess of Ten Thousand Dollars (\$10,000.00), and not in excess of Twenty Thousand Dollars (\$20,000.00) ~~;~~;

~~(c) 3.~~ 3. One and ~~five-tenths~~ one-half percent (1.5%) of the value of the net estate in excess of Twenty Thousand Dollars (\$20,000.00), and not in excess of Forty Thousand Dollars (\$40,000.00) ~~;~~;

~~(d)~~ 4. Two percent (2%) of the value of the net estate in excess of Forty Thousand Dollars (\$40,000.00), and not in excess of Sixty Thousand Dollars (\$60,000.00) ~~;~~i

~~(e)~~ 5. Two and ~~five-tenths~~ one-half percent (2.5%) of the value of the net estate in excess of Sixty Thousand Dollars (\$60,000.00), and not in excess of One Hundred Thousand Dollars (\$100,000.00) ~~;~~i

~~(f)~~ 6. Three percent (3%) of the value of the net estate in excess of One Hundred Thousand Dollars (\$100,000.00), and not in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) ~~;~~i

~~(g)~~ 7. Six and ~~five-tenths~~ one-half percent (6.5%) of the value of the net estate in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), and not in excess of Five Hundred Thousand Dollars (\$500,000.00) ~~;~~i

~~(h)~~ 8. Seven percent (7%) of the value of the net estate in excess of Five Hundred Thousand Dollars (\$500,000.00), and not in excess of Seven Hundred Fifty Thousand Dollars (\$750,000.00) ~~;~~i

~~(i)~~ 9. Seven and ~~five-tenths~~ one-half percent (7.5%) of the value of the net estate in excess of Seven Hundred Fifty Thousand Dollars (\$750,000.00), and not in excess of One Million Dollars (\$1,000,000.00) ~~;~~i

~~(j)~~ 10. Eight percent (8%) of the value of the net estate in excess of One Million Dollars (\$1,000,000.00), and not in excess of Three Million Dollars (\$3,000,000.00) ~~;~~i

~~(k)~~ 11. Eight and ~~five-tenths~~ one-half percent (8.5%) of the value of the net estate in excess of Three Million Dollars (\$3,000,000.00), and not in excess of Five Million Dollars (\$5,000,000.00) ~~;~~i

~~(l)~~ 12. Nine percent (9%) of the value of the net estate in excess of Five Million Dollars (\$5,000,000.00), and not in excess of Ten Million Dollars (\$10,000,000.00) ~~;~~i and

~~(m)~~ 13. Ten percent (10%) of the value of the net estate in excess of Ten Million Dollars (\$10,000,000.00).

~~2. The tax upon the net estate and transfers other than those transfers specified in paragraph 1, above, shall be at the following rates:~~

- ~~(a) One percent (1%) of the value of the net estate not in excess of Ten Thousand Dollars (\$10,000.00).~~
- ~~(b) Two percent (2%) of the value of the net estate in excess of Ten Thousand Dollars (\$10,000.00), and not in excess of Twenty Thousand Dollars (\$20,000.00).~~
- ~~(c) Three percent (3%) of the value of the net estate in excess of Twenty Thousand Dollars (\$20,000.00), and not in excess of Forty Thousand Dollars (\$40,000.00).~~
- ~~(d) Four percent (4%) of the value of the net estate in excess of Forty Thousand Dollars (\$40,000.00), and not in excess of Sixty Thousand Dollars (\$60,000.00).~~
- ~~(e) Five percent (5%) of the value of the net estate in excess of Sixty Thousand Dollars (\$60,000.00), and not in excess of One Hundred Thousand Dollars (\$100,000.00).~~
- ~~(f) Six percent (6%) of the value of the net estate in excess of One Hundred Thousand Dollars (\$100,000.00), and not in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00).~~
- ~~(g) Thirteen percent (13%) of the value of the net estate in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), and not in excess of Five Hundred Thousand Dollars (\$500,000.00).~~
- ~~(h) Fourteen percent (14%) of the value of the net estate in excess of Five Hundred Thousand Dollars (\$500,000.00), and not in excess of One Million Dollars (\$1,000,000.00).~~
- ~~(i) Fifteen percent (15%) of the value of the net estate in excess of One Million Dollars (\$1,000,000.00).~~

SECTION 3. AMENDATORY 68 O.S. 1991, Section 804, as amended by Section 2, Chapter 334, O.S.L. 1996 (68 O.S. Supp. 1997, Section 804), is amended to read as follows:

Section 804. In case the tax levied upon the value of the property of the estate in Oklahoma and transfers by Section 801 et seq. of this title is less than the credit allowed by the federal government on estate tax imposed upon the value of the property of the estate in Oklahoma, for state estate and inheritance taxes imposed upon the value of the property of the estate in Oklahoma, pursuant to 26 U.S.C. Section 2011, then, in that event, there shall be levied an additional tax which shall be imposed upon the value of the property of the estate in Oklahoma, as of the date of the determination of the Federal Estate Tax, equal to the difference between such credit and the Oklahoma Estate Tax levied upon the value of the property of the estate in Oklahoma and transfers by Section 801 et seq. of this Article title. Such credit allowed by the federal government shall be the percentage of such credit which is the percentage which the value of the property of the estate in Oklahoma bears to the total value of the estate of the decedent. Such additional tax to absorb the credit shall be determined, assessed, collected and paid pursuant to the provisions of Section 801 et seq. of this title. For estates of decedents who die on or after January 1, 2003, the only tax levied pursuant to Section 801 et seq. of this title shall be the tax levied pursuant to the provisions of this section.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 809, as amended by Section 3, Chapter 334, O.S.L. 1996 (68 O.S. Supp. 1997, Section 809), is amended to read as follows:

Section 809. A. ~~If any portion of the net estate, as herein determined, in excess of the deductions allowed in Section 808 of this title passes to the father, mother, child, child of husband or wife, adopted child or any lineal descendant of decedent or of such~~

~~adopted child, there shall be deducted from such net estate the portion of the net estate passing to such person or persons to the extent of and not exceeding a total aggregate exemption of One Hundred Seventy-five Thousand Dollars (\$175,000.00), and the tax shall be paid on the remainder at the rates herein set out. There shall be allowed a credit against the tax imposed by Section 802 of this title in the amount specified herein:~~

1. For the estate of a decedent who dies on or after July 1, 1998, and before January 1, 1999, the credit shall be Four Thousand One Hundred Dollars (\$4,100.00);

2. For the estate of a decedent who dies on or after January 1, 1999, and before January 1, 2000, the credit shall be Seven Thousand Nine Hundred Seventy-five Dollars (\$7,975.00);

3. For the estate of a decedent who dies on or after January 1, 2000, and before January 1, 2001, the credit shall be Fourteen Thousand Four Hundred Seventy-five Dollars (\$14,475.00);

4. For the estate of a decedent who dies on or after January 1, 2001, and before January 1, 2002, the credit shall be Twenty Thousand Nine Hundred Seventy-five Dollars (\$20,975.00); and

5. For the estate of a decedent who dies on or after January 1, 2002, and before January 1, 2003 the credit shall be Twenty-nine Thousand Six Hundred Dollars (\$29,600.00).

B. In addition to the ~~exemption credit~~ credit provided pursuant to subsection A of this section, for the estate of a decedent who dies on or after ~~January 1, 1997, there shall be deducted the value of the~~ July 1, 1998, and which estate includes assets used in a qualifying family business or farm passing to one or more qualifying heirs of ~~the~~ a decedent ~~to the extent of and not exceeding a total aggregate exemption of the amounts specified in this subsection.~~ The exemption shall be in an amount not exceeding Four Hundred Twenty-five Thousand Dollars (\$425,000.00), there shall be allowed

an additional credit against the tax imposed by Section 802 of this title, as follows:

1. For the estate of a decedent who dies on or after July 1, 1998, and before January 1, 1999, the credit shall be Twenty-five Thousand Five Hundred Dollars (\$25,500.00);

2. For the estate of a decedent who dies on or after January 1, 1999, and before January 1, 2000, the credit shall be Twenty-four Thousand Three Hundred Twenty-five Dollars (\$24,325.00);

3. For the estate of a decedent who dies on or after January 1, 2000, and before January 1, 2001, the credit shall be Fifteen Thousand One Hundred Twenty-five Dollars (\$15,125.00); and

4. For the estate of a decedent who dies on or after January 1, 2001, and before January 1, 2002, the credit shall be Eight Thousand Six Hundred Twenty-five Dollars (\$8,625.00); and

5. For the estate of a decedent who dies on or after January 1, 2002, no additional credit shall be allowed.

Provided, the additional credit allowed pursuant to this subsection shall not exceed an amount equal to the value of the family business or farm multiplied by the highest rate at which the estate is taxed.

In no event shall the total ~~exemption credit~~ credit allowed pursuant to subsection A of this section and this subsection exceed a total of ~~Six Hundred Thousand Dollars (\$600,000.00)~~ Twenty-nine Thousand Six Hundred Dollars (\$29,600.00) for any estate.

C. For purposes of ~~this~~ subsection B of this section:

1. "Assets of a qualifying family business or farm" means real or tangible personal property owned by a qualifying business or farm and used as a farm or for farming purposes, or in a trade or business other than farming;

2. "Qualifying family business or farm" means any interest in a closely held family corporation, sole proprietorship, partnership, limited liability company, or other unincorporated family business

engaged in the trade or business of farming or in a trade or business other than farming, where some or all of the assets thereof are held by a decedent or are held collectively by a decedent and one or more qualifying heirs of the decedent, provided the decedent, or at least one qualifying heir of the decedent, was receiving wages from the business or farm or was subject to the self-employment tax on income earned from the business or farm on the date of the death of the decedent;

3. "Closely held family corporation" means any corporation if at least fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote, and at least fifty percent (50%) of all other classes of stock of the corporation are owned by the decedent and not more than ten (10) qualifying heirs; and

4. "Qualifying heir" means ~~any heir as set forth in subsection A of this section~~ a parent, child, child of spouse, adopted child, or other lineal descendant of decedent or such adopted child.

~~C.~~ D. In order to qualify for the ~~exemption~~ credit provided in subsection B of this section, the estate of the decedent shall submit the appropriate tax returns or tax schedules of the qualifying family business or farm for the five (5) taxable years prior to the death of the decedent showing proof of continuous operation of the qualifying family business or farm. The qualifying family business or farm shall also be required to continue the business or farm for a period of five (5) years following the date of death of decedent and shall submit each taxable year the appropriate tax returns or tax schedules to the Oklahoma Tax Commission as proof of continuous operation of the business or farm. If evidence of continuous operation is not submitted, the qualified heirs shall be liable for twenty percent (20%) of the total estate tax which would have been due if the business or farm had not qualified for the ~~exemption~~ credit provided for in subsection B of

this section for each year evidence of continuous operation is not submitted.

~~D.~~ E. It is declared to be intended by this section that where a portion of the net estate passes to any of the parties named herein, no greater ~~amount shall be deducted from~~ credit against the tax imposed upon the net estate than passes to such person or persons combined shall be allowed and that the ~~exemption~~ credit shall in no event exceed the amounts specified in this section, regardless of the amount of the estate that may pass to any or all of such person or persons; provided, that when the property comprising the estate of the decedent consists of property within and property without the state, only the percentage of the ~~exemptions~~ credits and deductions enumerated in this section, and in Section 808 of this title, shall be allowed as the ratio of the value of the estate within this state bears to the value of the entire estate.

SECTION 5. AMENDATORY 68 O.S. 1991, Section 812, as last amended by Section 4, Chapter 334, O.S.L. 1996 (68 O.S. Supp. 1997, Section 812), is amended to read as follows:

Section 812. A. When the president or managing officer of a safe deposit company, trust company, bank, or other financial institution, or person or persons, holding securities or assets of a decedent receives actual notice, from the person or persons entitled or claiming to be entitled to the securities or assets, from a source deemed reliable by the safe deposit company, trust company, bank, or other financial institution or from the Oklahoma Tax Commission, of the death of the decedent, such safe deposit company, trust company, bank, or other financial institution in this state, or person or persons, holding securities or assets of a decedent shall not deliver or transfer the same except as provided for in subsection (d) of Section 811 of this title, to the beneficiary or joint survivor, executor, administrator, or legal representatives of

the decedent, or upon their order or request, unless notice of the time and place of such intended transfer be served upon the ~~Oklahoma~~ Tax Commission at least ten (10) days prior to the ~~said~~ transfer or delivery. No such safe deposit company, trust company, bank, or other financial institution, or person or persons, shall deliver or transfer any securities or assets of the estate of a decedent except as provided for in subsection (d) of Section 811 of this title, without retaining a sufficient portion or amount thereof to pay any tax which may thereafter be assessed on account of the transfer of such securities or assets pursuant to the provisions of Section 801 et seq. of this title, unless the ~~Oklahoma~~ Tax Commission consents to such delivery or transfer in writing, and it shall be lawful for the ~~Oklahoma~~ Tax Commission, personally or by representative, to examine the securities or assets at the time of such delivery or transfer. Failure to serve such notice of transfer and to retain a sufficient portion of the amount to pay the tax provided for in this section, after having received actual notice of the death of the owner of any such securities or assets, shall render such safe deposit company, trust company, bank, or other financial institution, or person or persons, liable for the payment of the tax. In all cases, regardless of the aggregate amount of deposits of money in any safe deposit company, trust company, bank, or other financial institution to the credit of the decedent and any other person or persons not the spouse ~~or a lineal descendant~~ of the decedent, as joint tenants, not more than ~~Two Thousand Five Hundred Dollars (\$2,500.00) or ninety percent (90%) of the amount of deposits of money, whichever is greater, may be released or paid out by such institutions without notifying the Oklahoma Tax Commission. From deposits of money in any safe deposit company, trust company, bank, or other financial institution, to the credit of the decedent and a lineal descendant as joint tenants, not more than One Hundred Seventy-five Thousand Dollars (\$175,000.00)~~ the amounts specified

herein in the aggregate or ninety percent (90%) of the deposits, whichever is greater, may be released or paid out by such institutions ten (10) days after receipt of notification in writing to the ~~Oklahoma~~ Tax Commission:

1. For the estate of a decedent who dies on or after July 1, 1998, and before January 1, 1999, One Hundred Seventy-five Thousand Dollars (\$175,000.00);

2. For the estate of a decedent who dies on or after January 1, 1999, and before January 1, 2000, Two Hundred Seventy-five Thousand Dollars (\$275,000.00);

3. For the estate of a decedent who dies on or after January 1, 2000, and before January 1, 2001, Three Hundred Seventy-five Thousand Dollars (\$375,000.00);

4. For the estate of a decedent who dies on or after January 1, 2002, and before January 1, 2002, Four Hundred Seventy-five Thousand Dollars (\$475,000.00); and

5. For the estate of a decedent who dies on or after January 1, 2002, Six Hundred Thousand Dollars (\$600,000.00).

Any funds held jointly as a beneficiary with the surviving spouse only, without limit, may be released or paid out by such institutions without notifying the Tax Commission.

B. No safe deposit company, trust company, bank, or other financial institution, or an officer thereof, or person or persons holding securities or assets of a decedent, shall be held liable for the wrongful release of deposits within the limits of this section.

C. The restrictions of this section shall not be applicable to oil and gas producing monies, received after date of death, whether from royalties, working interests, overriding royalties or otherwise.

D. 1. This section shall not be applicable to deposit accounts and safe deposit boxes held by a trust other than a grantor trust.

The restrictions of this section shall apply to a grantor trust upon the death of a grantor.

2. For purposes of this subsection, a "grantor trust" means a trust for which the grantor is the trustee or a co-trustee and the right to revoke the trust is retained by the grantor or a nonadverse party, or both. A grantor trust includes a trust where a husband and wife are the grantors and the husband or wife is the trustee or a co-trustee and either the husband or wife or a nonadverse party, or both, retain the right to revoke the trust.

3. In all cases, regardless of the aggregate amount of deposits of money in any safe deposit company, trust company, bank, or other financial institution to the credit of decedent's grantor trust, upon request of the trustee of the grantor trust, not more than ~~Two Thousand Five Hundred Dollars (\$2,500.00) or ninety percent (90%) of the amount of deposits of money, whichever is greater, may be released or paid out by such institution to a person or persons not the spouse or a lineal descendant of the decedent without notifying the Oklahoma Tax Commission. From deposits of money in any safe deposit company, trust company, bank, or other financial institution to the credit of decedent's grantor trust, upon request of the trustee of the grantor trust as authorized under the terms of the grantor trust, not more than One Hundred Seventy-five Thousand Dollars (\$175,000.00)~~ the amounts specified in subsection A of this section in the aggregate or ninety percent (90%) of the deposits, whichever is greater, may be released or paid out to a ~~lineal descendant~~ person or persons not the spouse of the decedent ten (10) days after receipt of notification in writing to the ~~Oklahoma~~ Tax Commission. Any funds held to the credit of the decedent's grantor trust, if paid out or released by the trustee of the grantor trust as authorized under the terms of the grantor trust, to the surviving spouse of decedent, may be released or paid out without notifying the ~~Oklahoma~~ Tax Commission.

SECTION 6. AMENDATORY 68 O.S. 1991, Section 825, is amended to read as follows:

Section 825. A. ~~The following table shall be used in computing taxes upon the net taxable estate and transfers, subject to the tax rates provided in paragraph 1 of Section 803 of this Article, as amended:~~

<del>Equal to or</del>	<del>Taxable Estate</del>	<del>Tax on Amount</del>	<del>Rate of Tax on Excess Over Amount</del>
<del>\$ -0-</del>	<del>\$10,000.00</del>	<del>\$ -0-</del>	<del>0.5%</del>
<del>10,000.00</del>	<del>20,000.00</del>	<del>50.00</del>	<del>1%</del>
<del>20,000.00</del>	<del>40,000.00</del>	<del>150.00</del>	<del>1.5%</del>
<del>40,000.00</del>	<del>60,000.00</del>	<del>450.00</del>	<del>2%</del>
<del>60,000.00</del>	<del>100,000.00</del>	<del>850.00</del>	<del>2.5%</del>
<del>100,000.00</del>	<del>250,000.00</del>	<del>1,850.00</del>	<del>3%</del>
<del>250,000.00</del>	<del>500,000.00</del>	<del>6,350.00</del>	<del>6.5%</del>
<del>500,000.00</del>	<del>750,000.00</del>	<del>22,600.00</del>	<del>7%</del>
<del>750,000.00</del>	<del>1,000,000.00</del>	<del>40,100.00</del>	<del>7.5%</del>
<del>1,000,000.00</del>	<del>3,000,000.00</del>	<del>58,850.00</del>	<del>8%</del>
<del>3,000,000.00</del>	<del>5,000,000.00</del>	<del>18,850.00</del>	<del>8.5%</del>
<del>5,000,000.00</del>	<del>10,000,000.00</del>	<del>388,850.00</del>	<del>9%</del>
<del>0,000,000.00</del>		<del>838,850.00</del>	<del>10%</del>

~~The total tax shall be the tax imposed at the rates under this article plus any additional tax imposed by Section 804 of this code.~~

~~To determine from the above schedule the amount of tax due on any given net taxable estate passing to a lineal heir, take the specified amount in column 1 nearest the value of the decedent's estate, but less than such value in column 2, and set out the amount of tax therein as indicated in column 3. Upon the remainder, the~~

~~tax is computed at the rate shown in column 4. These two amounts of tax added together equal the tax due for lineal heirs.~~

~~Thus, for example, on a net estate passing to lineal heirs of \$267,525.00, the total tax would be computed as follows:~~

	\$250,000.00
<del>(Amount in column 1 but less than</del>	
<del>amount in column 2)</del>	<del>\$6,350.00</del>
<del>17,525.00</del>	
<del>(Balance of net taxable estate,</del>	
<del>at 6.5%)</del>	<del>1,139.13</del>
<del>\$267,525.00</del>	
<del>(Total net taxable estate)</del>	
<del>Total Tax</del>	<del>\$7,489.13</del>

~~B. The following table shall be used in computing taxes upon the net taxable estate and transfers subject to the tax rates provided in paragraph 2 of Section 803 of this article, as amended:~~

			Rate of Tax on Excess Over
<del>Taxable Estate</del>			
<del>Amount</del>			
<del>Equal to or</del>	<del>Taxable Estate</del>	<del>Tax on Amount</del>	<del>in</del>
	<del>\$ -0-</del> \$ 10,000.00	<del>\$ -0-</del>	1%
<del>10,000.00</del>	<del>20,000.00</del>	<del>100.00</del>	2%
<del>20,000.00</del>	<del>40,000.00</del>	<del>300.00</del>	3%
<del>40,000.00</del>	<del>60,000.00</del>	<del>900.00</del>	4%
<del>60,000.00</del>	<del>100,000.00</del>	<del>1,700.00</del>	5%
<del>100,000.00</del>	<del>250,000.00</del>	<del>3,700.00</del>	6%
<del>250,000.00</del>	<del>500,000.00</del>	<del>12,700.00</del>	13%
<del>500,000.00</del>	<del>1,000,000.00</del>	<del>45,200.00</del>	14%
<del>1,000,000.00</del>		<del>115,200.00</del>	15%

~~The total tax shall be the tax imposed at the rates under this article plus any additional tax imposed by Section 804 of this code.~~

~~To determine from the above schedule the amount of tax due on any given net taxable estate passing to a collateral heir, take the specified amount in column 1 nearest the value of the estate passing to the collateral heir, but less than such value in column 2, and set out the amount of tax thereon as indicated in column 4. Upon the remainder, the tax is computed at the rate shown in column 4. These two amounts of tax added together equal the tax due for collateral heirs.~~

~~Thus, for example, on a net estate passing to collateral heirs of \$242,000.00, the tax due would be computed as follows:~~

	<del>\$100,000.00</del>	<del>(Amount in column 1 but less than amount in column 2)</del>	<del>\$ 3,700.00</del>
<del>142,000.00</del>	<del>(Balance of taxable estate at 6%)</del>		<del>8,520.00</del>
<del>\$242,000.00</del>	<del>(Total net taxable estate)</del>		
		<del>Total tax</del>	<del>12,220.00</del>

~~If the estate passes to lineal heirs and also collateral heirs, determine the tax separately as to each under A and B above as if there were two estates. These two amounts of tax would be equal the total tax due on the decedent's estate.~~

~~Unless the will otherwise provides, the tax shall be apportioned among lineal and collateral persons.~~

~~The tax on interests passing to collateral persons shall be apportioned in the proportion that the value of interest received by each collateral person bears to the total of the interests passing to all collateral persons.~~

~~The tax on interests passing to lineal persons shall be apportioned in the proportion that the value of interest received by each lineal person bears to the total of all interests passing to lineal persons.~~

~~The values used in determining the tax shall be used for that purpose.~~

The Oklahoma Tax Commission shall promulgate rules providing instructions for completion of estate tax returns and prescribing estate tax tables which may be used by taxpayers in computing the amount of tax due under Section 801 et seq. of this title. In the tables so prescribed, the amounts of the tax shall be computed on the basis of the rates specified in Sections 803 and 804 of this title.

SECTION 7. This act shall become effective July 1, 1998.

SECTION 8. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-2-2269

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