

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1317

By: Davis

AS INTRODUCED

An Act relating to revenue and taxation; levying tax on estates of residents and nonresidents; stating amount of tax; defining terms; amending 68 O.S. 2001, Section 802.1, which relates to credit to tax levied; changing statutory reference; repealing 68 O.S. 2001, Sections 802, 803, 804 and 809, which relate to estate tax; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 801.1 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. A tax in the amount of the federal credit shall be levied on the transfer of every taxable estate of a resident subject, where applicable, to the credit provided in subsection B of this section.

B. If any real property or tangible personal property of a resident is located outside this state and is subject to a death tax imposed by another state for which the federal credit is allowed, the amount of the tax due under this section shall be credited with the lesser of:

1. The amount of the death tax paid the other state and credited against the federal estate tax; or

2. An amount computed by multiplying the federal credit by a fraction, the numerator of which is the value of that part of the gross estate over which another state or states have jurisdiction to the same extent this state would exert jurisdiction, pursuant to this act, with respect to real property and tangible personal

property located in this state owned by residents of the other state or states and the denominator of which is the gross estate.

C. For purposes of this section:

1. "Federal credit" means the maximum amount of the credit for state death taxes allowable by Section 2011 of the Internal Revenue Code; and

2. "Taxable estate" means taxable estate as defined in Section 2051 of the Internal Revenue Code.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 802.1, is amended to read as follows:

Section 802.1 A credit to the tax levied by Section ~~802~~ 1 of ~~Title 68 of the Oklahoma Statutes~~ this act 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.

SECTION 3. REPEALER 68 O.S. 2001, Sections 802, 803, 804 and 809, are hereby repealed.

SECTION 4. This act shall become effective January 1, 2004.

49-1-6013 DLW 01/02/03