



Senate, May 6, 1971. The Committee on Finance reported through Senator Cutillo of the 15th District, Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ACCELERATION OF PAYMENT DATE FOR SUCCESSION AND ESTATE TAXES AND ACCELERATION OF DATE FOR FILING OF SUCCESSION AND ESTATE TAX RETURNS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-350 of the 1969
2 supplement to the general statutes is repealed and
3 the following is substituted in lieu thereof: In
4 the case of the estate of a resident transferor
5 the net estate for the purposes of the tax imposed
6 by the provisions of this chapter shall be
7 ascertained by deducting from the gross taxable
8 estate the following items provided they reduce
9 the gross taxable estate: (a) Debts of the
10 transferor which constitute lawful claims against
11 his estate; (b) losses incurred up to the time of
12 filing the return required in section 12-359 in
13 the reduction to possession of choses in action,
14 including notes and mortgages, but not including
15 corporate or governmental stocks or bonds nor
16 including income accrued after death; (c) unpaid
17 taxes, (1) on real property within this state
18 which were a lien at the date of the transferor's
19 death, (2) on personal property of the transferor
20 which constituted a personal obligation or were a

21 lien at the date of death, (3) on the income of
22 the transferor accrued to the date of death; (d)
23 any tax on untaxed property assessed by this state
24 against the estate of the transferor; (e) special
25 assessments which, at the date of death, were a
26 lien on the real property of the transferor
27 situated within this state; (f) funeral expenses
28 and all amounts actually expended or to be
29 expended for a headstone or monument or the care
30 of any cemetery lot; (g) reasonable compensation
31 of executors and administrators and reasonable
32 attorney's fees; (h) a reasonable allowance made
33 during the settlement of the estate for the
34 support of the widow, widower, dependent minor
35 children, including legally adopted children, of
36 the transferor, or dependent children incapable of
37 self-support because mentally or physically
38 defective receiving support mainly from the
39 transferor at the time of his death; but no such
40 deduction shall be made for any such allowance
41 beyond the expiration of [twelve] NINE months
42 after the date of the transferor's death; (i) the
43 amount at the date of the transferor's death of
44 all unpaid mortgages upon real or personal
45 property situated within this state, which
46 mortgages were not deducted in the appraisal of
47 the property mortgaged; (j) reasonable expenses of
48 administration, except as provided in section 12-
49 351. The foregoing deductions shall be allowed in
50 the case of property transferred by will, by laws
51 relating to intestate estates, and in the case of
52 joint bank accounts, except that such deductions
53 shall be allowed in the case of joint bank
54 accounts (1) only to the extent that such property
55 is includable in the decedent's gross taxable
56 estate under the provisions of this chapter, and
57 (2) only to the extent of amounts actually paid
58 from such accounts for deductions under subsection
59 (a) above for debts due for the last sickness of
60 the deceased and deductions under subsections (f),
61 (g) and (j) above. In the case of a transfer
62 other than by will or by laws relating to
63 intestate estates or to joint bank accounts, the
64 only items allowed as deductions shall be liens
65 subject to which the transfer is made; debts of
66 the transferor if it is judicially established
67 that such transfer is subject thereto, unpaid
68 expenses of administering prior to death a trust

69 which is taxable under the provisions of this
70 chapter, expenses of terminating such trust if it
71 terminates on the death of the transferor, and
72 certain items allowed by the provisions of
73 subsection (b) of section 12-359, and reasonable
74 attorney's fees, provided such items reduce the
75 gross taxable estate.

76 Sec. 2. Subsection (a) of section 12-359 of
77 the general statutes is repealed and the following
78 is substituted in lieu thereof: Except as herein
79 provided, within [one year] SEVEN MONTHS after the
80 death of the transferor the fiduciary shall file
81 with the tax commissioner and with the court of
82 probate a sworn return containing all items
83 necessary to the correct computation and
84 assessment of the tax and a statement containing
85 the name and relationship to the transferor of
86 each individual, corporation or institution
87 benefiting by reason of any succession or transfer
88 of property as set forth in part I, and the value
89 of the estate passing to each such beneficiary.
90 For cause shown, the court of probate may, after
91 hearing on the written application of the
92 fiduciary filed with such court within [one year]
93 SEVEN MONTHS after the death of the testator or
94 intestate, extend the time for filing such return.
95 Such application shall set forth the extension
96 desired and the reasons therefor and a copy of the
97 same shall be mailed to the commissioner by the
98 fiduciary at the time of filing such application.
99 The court of probate shall assign a time and place
100 for a hearing upon such application not less than
101 two nor more than four weeks after the filing
102 thereof and shall cause a copy of the order of
103 hearing to be sent to the commissioner and to the
104 fiduciary at least ten days before the time of
105 such hearing. Such court, after such hearing,
106 shall forthwith send to the tax commissioner a
107 copy of any order extending the time for filing
108 such return. Further extensions may be granted by
109 the probate court if the foregoing provisions are
110 complied with and if written application for such
111 further extension is filed with such court before
112 the expiration of the preceding extension.
113 Failure on the part of any fiduciary to file such
114 return within the time herein prescribed therefor
115 shall be sufficient cause for the summary removal

116 of such fiduciary upon the application of the tax
117 commissioner or any interested person.

118 Sec. 3. Section 12-376 of the 1969
119 supplement to the general statutes is repealed and
120 the following is substituted in lieu thereof: Each
121 tax imposed by the provisions of this chapter,
122 which is not paid to the tax commissioner within
123 [fourteen] NINE months after the date of the death
124 of the transferor, shall bear interest at the rate
125 of nine per cent per annum, commencing at the
126 expiration of such [fourteen] NINE months, until
127 paid, except in case an extension is granted as
128 herein provided; but the court of probate may,
129 after hearing on the written application of the
130 fiduciary filed with such court at or before the
131 expiration of such [fourteen] NINE months, extend
132 the time for the payment of such tax or any part
133 thereof. Such application shall set forth the
134 extension desired and the reasons therefor, and a
135 copy of the same shall be mailed to the
136 commissioner by the fiduciary at the time of
137 filing such application. The court of probate
138 shall assign a time and place for a hearing upon
139 such application not less than two nor more than
140 four weeks after the filing thereof, and shall
141 cause copies of such order for hearing to be sent
142 to the commissioner and to the fiduciary at least
143 ten days before such hearing. Such court, after
144 such hearing, shall forthwith send to the
145 commissioner a copy of any order relating to such
146 application. Further extensions may be granted by
147 the court if the foregoing provisions have been
148 complied with and if written application for such
149 further extensions is filed with such court before
150 the expiration of the preceding extension. If the
151 fiduciary has filed the succession tax return with
152 the tax commissioner and has made a payment on
153 account of the succession tax which the probate
154 court determines is adequate under the
155 circumstances, such court, on written application
156 by the fiduciary for an extension of time which is
157 filed within [fourteen] NINE months after the date
158 of death of the transferor, shall extend the time
159 for the payment of any balance due for succession
160 tax until thirty days after receipt by the
161 fiduciary of a copy of the computation of the
162 succession tax from the tax commissioner. If one
163 or more extensions have been granted, the tax

164 shall bear interest at the rate of four per cent
165 per annum, commencing with the expiration of
166 [fourteen] NINE months after the death of the
167 transferor, until paid, provided such payment
168 shall be made before the expiration of such
169 extension or extensions; but, if such payment is
170 not made before the expiration of such extension,
171 the tax shall bear interest as follows: (a) At the
172 rate of four per cent per annum from the
173 expiration of such [fourteen] NINE months after
174 the death of the transferor until the expiration
175 of such extension or extensions, (b) thereafter,
176 at the rate of nine per cent per annum until paid.
177 Except as provided by the provisions of a will,
178 such tax shall be paid from property passing to
179 the donee, beneficiary or distributee unless such
180 recipient pays to the fiduciary the amount
181 thereof. Each donee, beneficiary or distributee
182 of the same class shall pay such percentage of the
183 tax on property passing to such class as his share
184 is of such property. The tax to be allocated
185 against a tenant for life or limited term or an
186 annuitant or remainderman shall be such percentage
187 of the whole tax on property passing to persons of
188 the same class as the value of his interest as
189 determined under the provisions of section 12-353
190 is of the net taxable estate passing to such class
191 and shall be paid out of the principal fund in
192 which any such temporary interest or remainder
193 exists.

194 Sec. 4. Section 12-376a of said supplement
195 is repealed and the following is substituted in
196 lieu thereof: Whenever any transfer of property is
197 reported and a tax paid thereon under the
198 provisions of this chapter more than [fourteen]
199 NINE months after the date of death of the
200 transferor, and it appears that such transfer
201 could not have been known, or in good faith was
202 not known, at the time of the death of the
203 transferor, or at the time any other estate of
204 such transferor was probated, the running of
205 interest at nine per cent per annum on such
206 transfer, as provided by section 3 of this act,
207 may be waived by the tax commissioner, with the
208 approval of the attorney general, upon a finding
209 that such transfer could not have been known, or
210 in good faith was not known, within [fourteen]
211 NINE months of the date of death of the

212 transferor. Upon such waiver by the commissioner
213 interest at six per cent per annum shall run on
214 the amount of tax payable on such transfer for a
215 period from [fourteen] NINE months after the date
216 of death of the transferor until the date of
217 payment of such tax to the commissioner.

218 Sec. 5. Section 12-392 of the general
219 statutes is repealed and the following is
220 substituted in lieu thereof: The tax imposed by
221 this chapter shall become due at the date of the
222 taxable transfer and shall become payable at the
223 expiration of [eighteen] NINE months from the date
224 of death, and executors, administrators, trustees,
225 grantees, donees, beneficiaries and surviving
226 joint owners shall be liable for the tax until it
227 is paid. If the tax is not paid within such
228 [eighteen] NINE months, interest at the rate of
229 nine per cent per annum shall be collected from
230 the time the same became payable. The tax
231 commissioner may, for cause shown, extend the time
232 for payment with or without interest for such
233 period as the circumstances require.

234 Sec. 6. This act shall take effect June 1,
235 1971, and shall apply to estates of persons dying
236 on or after that date, but estates of persons
237 dying prior to June 1, 1971, shall be subject to
238 the succession and estate tax laws applicable to
239 them prior to June 1, 1971, and such laws are
240 continued in force for that purpose.

STATE OF CONNECTICUT,

Bill No. 1710

Page 1 of 7

Introduced by SEN. CUTIHO - 15th DISTRICT
REP. SPAIN - 166th DISTRICT

Date

Ref. to Committee on FINANCE

General Assembly,

January Session, A. D., 19 71.

AN ACT CONCERNING ACELERATION OF PAYMENT DATE FOR SUCCESSION AND ESTATE TAXES AND ACELERATION OF DATE FOR FILING OF SUCCESSION AND ESTATE TAX RETURNS

CONNECTICUT
STATE LIBRARY
LEGISLATIVE REFERENCE
SECTION

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 12-350 of the General Statutes is repealed and the following is substituted in lieu thereof: In the case of the estate of a resident transferor the net estate for the purposes of the tax imposed by the provisions of this chapter shall be ascertained by deducting from the gross taxable estate the following items provided they reduce the gross taxable estate: (a) Debts of the transferor which constitute lawful claims against his estate; (b) losses incurred up to the time of filing the return required in section 12-359 in the reduction to possession of choses in action, including notes and mortgages, but not including corporate or governmental stocks or bonds nor including income accrued after death; (c) unpaid taxes, (1) on real property within this state which were a lien at the date of the transferor's death, (2) on personal property of the transferor which constituted a personal obligation or were a lien at the date of death, (3) on the income of the transferor accrued to the date of death; (d) any tax on untaxed property assessed by this state against the estate of the transferor; (e) special assessments which, at the date of death, were a lien on the real property of the transferor situated within this state; (f) funeral expenses and all amounts actually expended or to be expended for a headstone or monument or the care of any cemetery lot;

(g) reasonable compensation of executors and administrators and reasonable attorney's fees; (h) a reasonable allowance made during the settlement of the estate for the support of the widow, widower, dependent minor children, including legally adopted children, of the transferor, or dependent children incapable of self-support because mentally or physically defective receiving support mainly from the transferor at the time of his death; but no such deduction shall be made for any such allowance beyond the expiration of ((twelve)) nine months after the date of the transferor's death; (i) the amount at the date of the transferor's death of all unpaid mortgages upon real or personal property situated within this state, which mortgages were not deducted in the appraisal of the property mortgaged; (j) reasonable expenses of administration, except as provided in section 12-351. The foregoing deductions shall be allowed in the case of property transferred by will, by laws relating to intestate estates, and in the case of joint bank accounts, except that such deductions shall be allowed in the case of joint bank accounts (1) only to the extent that such property is includable in the decedent's gross taxable estate under the provisions of this chapter, and (2) only to the extent of amounts actually paid from such accounts for deductions under subsection (a) above for debts due for the last sickness of the deceased and deductions under subsections (f), (g) and (j) above. In the case of a transfer other than by will or by laws relating to intestate estates or to joint bank accounts, the only items allowed as deductions shall be liens subject to which the transfer is made; debts of the transferor if it is judicially established that such transfer is subject thereto, unpaid expenses of administering prior to death a trust which is taxable under the provisions of this chapter, expenses of terminating such trust if it terminates on the death of the

transferor, and certain items allowed by the provisions of subsection (b) of section 12-359, and reasonable attorney's fees, provided such items reduce the gross taxable estate.

Section 2. Subsection (a) of section 12-359 of the General Statutes is repealed and the following is substituted in lieu thereof: (a) Except as herein provided, within ((one year)) seven months after the death of the transferor the fiduciary shall file with the tax commissioner and with the court of probate a sworn return containing all items necessary to the correct computation and assessment of the tax and a statement containing the name and relationship to the transferor of each individual, corporation or institution benefiting by reason of any succession or transfer of property as set forth in part I, and the value of the estate passing to each such beneficiary. For cause shown, the court of probate may, after hearing on the written application of the fiduciary filed with such court within ((one year)) seven months after the death of the testator or intestate, extend the time for filing such return. Such application shall set forth the extension desired and the reasons therefor and a copy of the same shall be mailed to the commissioner by the fiduciary at the time of filing such application. The court of probate shall assign a time and place for a hearing upon such application not less than two nor more than four weeks after the filing thereof and shall cause a copy of the order of hearing to be sent to the commissioner and to the fiduciary at least ten days before the time of such hearing. Such court, after such hearing, shall forthwith send to the tax commissioner a copy of any order extending the time for filing such return. Further extensions may be granted by the probate court if the foregoing provisions are complied with and if written application for such further extension is filed with such court before the expiration of the

preceding extension. Failure on the part of any fiduciary to file such return within the time herein prescribed therefor shall be sufficient cause for the summary removal of such fiduciary upon the application of the tax commissioner or any interested person.

Section 3. Section 12-376 of the General Statutes is repealed and the following is substituted in lieu thereof: Each tax imposed by the provisions of this chapter, which is not paid to the tax commissioner within ((fourteen)) nine months after the date of the death of the transferor, shall bear interest at the rate of nine per cent per annum, commencing at the expiration of such ((fourteen)) nine months, until paid, except in case an extension is granted as herein provided; but the court of probate may, after hearing on the written application of the fiduciary filed with such court at or before the expiration of such ((fourteen)) nine months, extend the time for the payment of such tax or any part thereof. Such application shall set forth the extension desired and the reasons therefor, and a copy of the same shall be mailed to the commissioner by the fiduciary at the time of filing such application. The court of probate shall assign a time and place for a hearing upon such application not less than two nor more than four weeks after the filing thereof, and shall cause copies of such order for hearing to be sent to the commissioner and to the fiduciary at least ten days before such hearing. Such court, after such hearing, shall forthwith send to the commissioner a copy of any order relating to such application. Further extensions may be granted by the court if the foregoing provisions have been complied with and if written application for such further extensions is filed with such court before the expiration of the preceding extension. If the fiduciary has filed the succession tax return with the tax commissioner and has made a payment on account of the succession tax which

the probate court determines is adequate under the circumstances, such court, on written application by the fiduciary for an extension of time which is filed within ((fourteen)) nine months after the date of death of the transferor, shall extend the time for the payment of any balance due for succession tax until thirty days after receipt by the fiduciary of a copy of the computation of the succession tax from the tax commissioner. If one or more extensions have been granted, the tax shall bear interest at the rate of four per cent per annum, commencing with the expiration of ((fourteen)) nine months after the death of the transferor, until paid, provided such payment shall be made before the expiration of such extension or extensions; but, if such payment is not made before the expiration of such extension, the tax shall bear interest as follows: (a) At the rate of four per cent per annum from the expiration of such ((fourteen)) nine months after the death of the transferor until the expiration of such extension or extensions, (b) thereafter, at the rate of nine per cent per annum until paid. Except as provided by the provisions of a will, such tax shall be paid from property passing to the donee, beneficiary or distributee unless such recipient pays to the fiduciary the amount thereof. Each donee, beneficiary or distributee of the same class shall pay such percentage of the tax on property passing to such class as his share is of such property. The tax to be allocated against a tenant for life or limited term or an annuitant or remainderman shall be such percentage of the whole tax on property passing to persons of the same class as the value of his interest as determined under the provisions of section 12-353 is of the net taxable estate passing to such class and shall be paid out of the principal fund in which any such temporary interest or remainder exists.

Section 4. Section 12-376a of the General Statutes is repealed and the following is substituted in lieu thereof: Whenever any transfer of property is reported and a tax paid thereon under the provisions of this chapter more than ((fourteen)) nine months after the date of death of the transferor, and it appears that such transfer could not have been known, or in good faith was not known, at the time of the death of the transferor, or at the time any other estate of such transferor was probated, the running of interest at nine per cent per annum on such transfer, as provided by section 12-376, may be waived by the tax commissioner, with the approval of the attorney general, upon a finding that such transfer could not have been known, or in good faith was not known, within ((fourteen)) nine months of the date of death of the transferor. Upon such waiver by the commissioner interest at six per cent per annum shall run on the amount of tax payable on such transfer for a period from ((fourteen)) nine months after the date of death of the transferor until the date of payment of such tax to the commissioner.

Section 5. Section 12-392 of the General Statutes is repealed and the following is substituted in lieu thereof: The tax imposed by this chapter shall become due at the date of the taxable transfer and shall become payable at the expiration of ((eighteen)) nine months from the date of death, and executors, administrators, trustees, grantees, donees, beneficiaries and surviving joint owners shall be liable for the tax until it is paid. If the tax is not paid within such ((eighteen)) nine months, interest at the rate of nine per cent per annum shall be collected from the time the same became payable. The tax commissioner may, for cause shown, extend the time for payment with or without interest for such period as the circumstances require.

Section 6. This act shall take effect on May 1, 1971 and shall apply to estates of persons dying on or after that date, but on estates of persons dying prior to May 1, 1971 shall be subject to the succession and estate tax laws applicable to them prior to May 1, 1971 and such laws are continued in force for that purpose.

STATEMENT OF PURPOSE: To make the dates on which succession and estate taxes are payable the same as the date on which the Federal estate tax is payable.