

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1821 – HB 2424

February 10, 2014

SUMMARY OF BILL: Increases, from \$100,000 to \$1,000,000 in tax year 2014 and to \$2,000,000 in tax year 2015, the gross amount of an estate that is below the statutory exemption and is not required to file a short form inheritance tax return.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Under current law, if the gross estate does not exceed \$100,000 and if the decedent made no gifts in excess of the single gift tax exemption prior to January 1, 2012, the court may waive the filing of an inheritance tax return upon a statement to such effect and the clerk is not required to forward such statement to the Commissioner of Revenue.
- Further, if the gross estate does not exceed \$100,000 and if the decedent made one or more gifts in excess of the maximum gift tax exemption, a short form inheritance tax return, providing relevant information regarding such gifts, may be filed with the Commissioner.
- According to the Department of Revenue, increasing such gross estate limits, from \$100,000 to \$1,000,000 in tax year 2014 and \$2,000,000 in tax year 2015, will not result in a significant fiscal impact to the state. Based on the number of short form inheritance tax returns filed for gross estates between \$100,000 and \$2,000,000, any anticipated reduction in the processing workload of the Department is estimated to be not significant.
- Based on information received from court clerks, any fiscal impact to the local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Lucian D. Geise, Executive Director

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