MISSISSIPPI LEGISLATURE

By: Senator(s) Dawkins

To: Finance

## SENATE BILL NO. 3099

AN ACT TO AMEND SECTION 27-9-5, MISSISSIPPI CODE OF 1972, TO 1 PROVIDE A STATE ESTATE TAX SCHEDULE FOR DECEDENTS DYING ON OR 2 3 AFTER JANUARY 1, 2004, THAT IS EQUAL TO THE ESTATE TAX SCHEDULE FOR DECEDENTS DYING BEFORE JANUARY 1, 2000; TO AMEND SECTION 27-9-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STANDARD 4 5 б DEDUCTION FROM THE GROSS ESTATE FOR ESTATE TAX PURPOSES SHALL BE 7 \$675,000.00, WHICH IS THE AMOUNT OF THE DEDUCTION FOR DECEDENTS DYING IN 2000 OR 2001; TO REPEAL SECTION 27-9-59, MISSISSIPPI CODE OF 1972, WHICH PROVIDES THAT THE ESTATE TAX LAW OF THIS STATE 8 9 SHALL REMAIN IN FORCE AND EFFECT SO LONG AS THE GOVERNMENT OF THE 10 11 UNITED STATES RETAINS IN FULL FORCE AND EFFECT AS A PART OF THE REVENUE LAWS OF THE UNITED STATES A FEDERAL ESTATE TAX, PROVIDES 12 THAT THE ESTATE TAX LAWS SHALL BE REPEALED WHEN THE GOVERNMENT OF 13 THE UNITED STATES CEASES TO IMPOSE AN ESTATE TAX, AND PROVIDES 14 THAT WHEREVER POSSIBLE THE TERMS OF THIS STATUTE SHALL BE 15 CONSTRUED IN CONFORMITY WITH SIMILAR PROVISIONS OF THE ESTATE TAX 16 17 LAW OF THE UNITED STATES; AND FOR RELATED PURPOSES.

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: SECTION 1. Section 27-9-5, Mississippi Code of 1972, is 19

20 amended as follows:

[For decedents dying after March 22, 1956, and before October 21 1, 1988, this section shall read as follows:] 22

23 27-9-5. A tax equal to the sum of the following percentages of the value of the net estate is hereby imposed upon the transfer 24 25 of the net estate of every decedent dying after March 22, 1956, and before October 1, 1988, whether a resident or a nonresident of 26 27 the State of Mississippi: 2.8 MISSISSIPPI ESTATE TAX SCHEDULE

29	Over	Bu	t not over.			Of excess over
30	\$ -0-	\$	60,000		1%	
31	60,000		100,000	\$ 600 plus	1.6%	60,000
32	100,000		200,000	1,240 plus	2.4%	100,000
33	200,000		400,000	3,640 plus	3.2%	200,000
34	400,000		600,000	10,040 plus	4.0%	400,000

35	600,000	800,000	18,040 plu	ıs 4.8%	600,000		
36	800,000	1,000,000	27,640 plu	ıs 5.6%	800,000		
37	1,000,000	1,500,000	38,840 plu	ıs 6.4%	1,000,000		
38	1,500,000	2,000,000	70,840 plu	ıs 7.2%	1,500,000		
39	2,000,000	2,500,000	106,840 plu	ıs 8.0%	2,000,000		
40	2,500,000	3,000,000	146,840 plu	ıs 8.8%	2,500,000		
41	3,000,000	3,500,000	190,840 plu	ıs 9.6%	3,000,000		
42	3,500,000	4,000,000	238,840 plu	ıs 10.4%	3,500,000		
43	4,000,000	5,000,000	290,840 plu	ıs 11.2%	4,000,000		
44	5,000,000	6,000,000	402,840 plu	ıs 12.0%	5,000,000		
45	6,000,000	7,000,000	522,840 plu	ıs 12.8%	6,000,000		
46	7,000,000	8,000,000	650,840 plu	ıs 13.6%	7,000,000		
47	8,000,000	9,000,000	786,840 plu	ıs 14.4%	8,000,000		
48	9,000,000	10,000,000	930,840 plu	ıs 15.2%	9,000,000		
49	10,000,000	and over	1,082,840 plu	ıs 16.0%	10,000,000		
50	Provide	d, however, th	at the tax du	ue under t	his section shall		
51	not be less	than the state	death tax cr	redit allo	wable under Title		
52	26, Section	2011, USCS.					
53	[For decedents dying on or after October 1, 1988, and before						
54	October 1, 1989, this section shall read as follows:]						
55	27-9-5.	A tax equal	to the sum of	the foll	owing percentages		
56	of the value of the net estate is hereby imposed upon the transfer						
57	of the net estate of every decedent dying on or after October 1,						
58	1988, and before October 1, 1989, whether a resident or a						
59	nonresident of the State of Mississippi:						
60		MISSISSI	PPI ESTATE TA	X SCHEDULE	E		
61	Over	But not ove	r		Of excess over		
62	\$ -0-	\$ 100,000		1.7%			
63	100,000	200,000	1,700 plus	3.4%	100,000		
64	200,000	400,000	5,100 plus	5.2%	200,000		
65	400,000	600,000	15,500 plus	5 6.6%	400,000		
66	600,000	800,000	28,700 plus	8.0%	600,000		
67	800,000	1,000,000	44,700 plus	9.7%	800,000		
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68	1,000,000	1 500 000	64,100 plus 11.4%	1,000,000		
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69	1,500,000	2,000,000	121,100 plus 12.7%	1,500,000		
70	2,000,000	2,500,000	184,600 plus 14.0%	2,000,000		
71	2,500,000	3,000,000	254,600 plus 15.3%	2,500,000		
72	3,000,000	3,500,000	331,100 plus 16.7%	3,000,000		
73	3,500,000	And over	414,600 plus 18.4%	3,500,000		
74	Provided,	however, th	at the tax due under th	is section shall		
75	not be less th	nan the state	death tax credit allow	able under Title		
76	26, Section 20	)11, USCS.				
77	[For dece	edents dying	on or after October 1,	1989, and before		
78	October 1, 199	00, this sect	ion shall read as follo	ws:]		
79	27-9-5. A tax equal to the sum of the following percentages					
80	of the value o	of the net es	tate is hereby imposed	upon the transfer		
81	of the net est	ate of every	decedent dying on or a	fter October 1,		
82	1989, and before October 1, 1990, whether a resident or a					
83	nonresident of	the State o	f Mississippi:			
84		MISSISSI	PPI ESTATE TAX SCHEDULE			
85	Over	But not ove	r	Of excess over		
86	\$ -0-	\$ 100,000	1.4%			
87	100,000	200,000	1,400 plus 2.8%	100,000		
88	200,000	400,000	4,200 plus 4.4%	200,000		
89	400,000	600,000	13,000 plus 5.75%	400,000		
90	600,000	800,000	24,500 plus 6.9%	600,000		
91	800,000	1,000,000	38,300 plus 8.3%	800,000		
92	1,000,000	1,500,000	54,900 plus 9.7%	1,000,000		
93	1,500,000	2,000,000	103,400 plus 10.85%	1,500,000		
94	2,000,000	2,500,000	157,650 plus 12.0%	2,000,000		
95	2,500,000	3,000,000	217,650 plus 13.15%	2,500,000		
96	3,000,000	3,500,000	283,400 plus 14.3%	3,000,000		
97	3,500,000	4,000,000	354,900 plus 15.7%	3,500,000		
98	4,000,000	5,000,000	433,400 plus 16.1%	4,000,000		
99	5,000,000	6,000,000	594,400 plus 16.5%	5,000,000		
100	6,000,000	7,000,000	759,400 plus 16.9%	6,000,000		
	S. B. No. 3099	*SS26/R8	45*			

S. B. No. 3099 \*SS26/R845\* 04/SS26/R845 PAGE 3 1017,000,0008,000,000928,400 plus17.3%7,000,0001028,000,0009,000,0001,101,400 plus17.7%8,000,0001039,000,00010,000,0001,278,400 plus18.1%9,000,00010410,000,000 and over1,459,400 plus18.5%10,000,000

Provided, however, that the tax due under this section shall not be less than the state death tax credit allowable under Title 26, Section 2011, USCS.

108 [For decedents dying on or after October 1, 1990, and before 109 January 1, 2000, this section shall read as follows:]

110 27-9-5. A tax equal to the sum of the following percentages 111 of the value of the net estate is hereby imposed upon the transfer 112 of the net estate of every decedent dying on or after October 1, 113 1990, whether a resident or a nonresident of the State of 114 Mississippi:

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MISSISSIPPI ESTATE TAX SCHEDULE

116	Over	But not over			Of excess over
117	\$ -0-	\$ 60,000		1%	
118	60,000	100,000 \$	600 plus	1.6%	60,000
119	100,000	200,000	1,240 plus	2.4%	100,000
120	200,000	400,000	3,640 plus	3.2%	200,000
121	400,000	600,000 1	0,040 plus	4.0%	400,000
122	600,000	800,000 1	8,040 plus	4.8%	600,000
123	800,000	1,000,000 2	7,640 plus	5.6%	800,000
124	1,000,000	1,500,000 3	8,840 plus	6.4%	1,000,000
125	1,500,000	2,000,000 7	0,840 plus	7.2%	1,500,000
126	2,000,000	2,500,000 10	6,840 plus	8.0%	2,000,000
127	2,500,000	3,000,000 14	6,840 plus	8.8%	2,500,000
128	3,000,000	3,500,000 19	0,840 plus	9.6%	3,000,000
129	3,500,000	4,000,000 23	8,840 plus	10.4%	3,500,000
130	4,000,000	5,000,000 29	0,840 plus	11.2%	4,000,000
131	5,000,000	6,000,000 40	2,840 plus	12.0%	5,000,000
132	6,000,000	7,000,000 52	2,840 plus	12.8%	6,000,000
133	7,000,000	8,000,000 65	0,840 plus	13.6%	7,000,000
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8,000,000 9,000,000 786,840 plus 14.4% 134 8,000,000 9,000,000 135 10,000,000 930,840 plus 15.2% 9,000,000 10,000,000 and over 1,082,840 plus 16.0% 136 10,000,000 137 Provided, however, that the tax due under this \* \* \* section 138 shall not be less than the state death tax credit allowable under 139 Title 26, Section 2011, USCS.

140 [For decedents dying on or after January 1, 2000, and before January 1, 2004, this section shall read as follows:] 141

142 27-9-5. A tax is hereby imposed upon the transfer of the net estate of every decedent dying on or after January 1, 2000, in an 143 144 amount equal to the maximum amount of state death tax credit permissible as a credit or deduction in computing any federal 145 146 estate tax payable by the estate according to the act of Congress 147 in effect, on the date of the death of the decedent, taxing such estate with respect to the items subject to taxation in 148 Mississippi. The tax imposed by this section shall not exceed the 149 aggregate amounts which may by any law of the United States be 150 151 allowed to be credited against or deducted for federal estate tax. The tax imposed by this section shall be due in the proportion 152 153 that the estate located in Mississippi bears to the entire estate 154 wherever located. The estate tax hereby imposed by this section 155 shall only be exercised or enforced to the extent of absorbing the 156 amount of any deduction or credit which may be permitted by the laws of the United States now existing or hereafter enacted to be 157 158 claimed as a deduction or credit against such similar tax of the United States applicable to Mississippi estates. 159

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## [For decedents dying on or after January 1, 2004, this section shall read as follows:] 161

A tax equal to the <u>sum of the following percentages</u> 162 27-9-5. 163 of the value of the net estate is hereby imposed upon the transfer 164 of the net estate of every decedent dying on or after January 1,

165 2003, whether a resident or a nonresident of the State of

166 Mississippi:

> \*SS26/R845\* S. B. No. 3099 04/SS26/R845 PAGE 5

## MISSISSIPPI ESTATE TAX SCHEDULE

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107		MISSISSIF	PI ESIAIE IAA SCHEDUL			
168	Over	But not over	<u>-</u>	Of excess over		
169	<u>\$</u> -0-	\$ 60,000	1%			
170	60,000	100,000	\$ 600 plus 1.6%	60,000		
171	100,000	200,000	1,240 plus 2.4%	100,000		
172	200,000	400,000	3,640 plus 3.2%	200,000		
173	400,000	600,000	10,040 plus 4.0%	400,000		
174	600,000	800,000	18,040 plus 4.8%	600,000		
175	800,000	1,000,000	27,640 plus 5.6%	800,000		
176	1,000,000	1,500,000	38,840 plus 6.4%	1,000,000		
177	1,500,000	2,000,000	70,840 plus 7.2%	1,500,000		
178	2,000,000	2,500,000	106,840 plus 8.0%	2,000,000		
179	2,500,000	3,000,000	146,840 plus 8.8%	2,500,000		
180	3,000,000	3,500,000	190,840 plus 9.6%	3,000,000		
181	3,500,000	4,000,000	238,840 plus 10.4%	3,500,000		
182	4,000,000	5,000,000	290,840 plus 11.2%	4,000,000		
183	5,000,000	6,000,000	402,840 plus 12.0%	5,000,000		
184	6,000,000	7,000,000	522,840 plus 12.8%	6,000,000		
185	7,000,000	8,000,000	650,840 plus 13.6%	7,000,000		
186	8,000,000	9,000,000	786,840 plus 14.4%	8,000,000		
187	9,000,000	10,000,000	930,840 plus 15.2%	9,000,000		
188	<u>10,000,000</u> a	and over 1	.,082,840 plus 16.0%	10,000,000		
189	Provided, however, that the tax due under this section shall					
190	not be less than the state death tax credit allowable under Title					
191	26, Section 2011, USCS.					
192	SECTION 2. Section 27-9-11, Mississippi Code of 1972, is					
193	amended as follows:					
194	27-9-11. For the purposes of the tax imposed by this chapter					
195	the value of the taxable estate shall be determined in the case of					
196	a resident by deducting from the gross estate, after the					
197	deductions provided for in Section 27-9-9 have been made, the sum					
198	of One Hundred Twenty Thousand Six Hundred Sixty-six Dollars					
199	(\$120,666.00)	in the case o	of a decedent dying ir	1978; the sum of		
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One Hundred Thirty-four Thousand Dollars (\$134,000.00) in the case 200 201 of a decedent dying in 1979; the sum of One Hundred Forty-seven Thousand Three Hundred Thirty-three Dollars (\$147,333.00) in the 202 203 case of a decedent dying in 1980; the sum of One Hundred Sixty-one 204 Thousand Five Hundred Sixty-three Dollars (\$161,563.00) in the 205 case of a decedent dying in 1981; and the sum of One Hundred 206 Seventy-five Thousand Six Hundred Twenty-five Dollars 207 (\$175,625.00) in the case of a decedent dying in 1982 or any date 208 thereafter prior to October 1, 1988; the sum of Four Hundred Thousand Dollars (\$400,000.00) in the case of a decedent dying on 209 210 or after October 1, 1988, but prior to October 1, 1989; the sum of Five Hundred Thousand Dollars (\$500,000.00) in the case of a 211 212 decedent dying on or after October 1, 1989, but prior to October 1, 1990; the sum of Six Hundred Thousand Dollars (\$600,000.00) in 213 the case of a decedent dying on or after October 1, 1990, but 214 prior to January 1, 1998; the sum of Six Hundred Twenty-five 215 Thousand Dollars (\$625,000.00) in the case of a decedent dying in 216 217 1998; the sum of Six Hundred Fifty Thousand Dollars (\$650,000.00) in the case of a decedent dying in 1999; the sum of Six Hundred 218 219 Seventy-five Thousand Dollars (\$675,000.00) in the case of a decedent dying in 2000 or 2001; the amount of the applicable 220 221 exclusion established under 26 USCS 2010, in the case of a 222 decedent dying \* \* \* in 2002; the sum of Six Hundred Seventy-five Thousand Dollars (\$675,000.00) in the case of a decedent dying on 223 224 or after January 1, 2004.

SECTION 3. Section 27-9-59, Mississippi Code of 1972, which 225 226 provides that the estate tax law of this state shall remain in force and effect so long as the government of the United States 227 retains in full force and effect as a part of the revenue laws of 228 229 the United States a federal estate tax, provides that the estate 230 tax laws shall be repealed when the government of the United 231 States ceases to impose an estate tax, and provides that wherever possible the terms of this statute shall be construed in 232 \*SS26/R845\*

S. B. No. 3099 \*SS26/R8 04/SS26/R845 PAGE 7 233 conformity with similar provisions of the estate tax law of the 234 United States, is repealed.

235 **SECTION 4**. This act shall take effect and be in force from 236 and after January 1, 2004.