

By: Senator(s) Dawkins, Williamson

To: Finance

SENATE BILL NO. 2827

1 AN ACT TO AMEND SECTION 27-9-5, MISSISSIPPI CODE OF 1972, TO
 2 PROVIDE A STATE ESTATE TAX SCHEDULE FOR DECEDENTS DYING ON OR
 3 AFTER JANUARY 1, 2005, THAT IS EQUAL TO THE ESTATE TAX SCHEDULE
 4 FOR DECEDENTS DYING BEFORE JANUARY 1, 2000; TO AMEND SECTION
 5 27-9-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STANDARD
 6 DEDUCTION FROM THE GROSS ESTATE FOR ESTATE TAX PURPOSES SHALL BE
 7 \$675,000.00, WHICH IS THE AMOUNT OF THE DEDUCTION FOR DECEDENTS
 8 DYING IN 2000 OR 2001; TO REPEAL SECTION 27-9-59, MISSISSIPPI CODE
 9 OF 1972, WHICH PROVIDES THAT THE ESTATE TAX LAW OF THIS STATE
 10 SHALL REMAIN IN FORCE AND EFFECT SO LONG AS THE GOVERNMENT OF THE
 11 UNITED STATES RETAINS IN FULL FORCE AND EFFECT AS A PART OF THE
 12 REVENUE LAWS OF THE UNITED STATES A FEDERAL ESTATE TAX, PROVIDES
 13 THAT THE ESTATE TAX LAWS SHALL BE REPEALED WHEN THE GOVERNMENT OF
 14 THE UNITED STATES CEASES TO IMPOSE AN ESTATE TAX, AND PROVIDES
 15 THAT WHEREVER POSSIBLE THE TERMS OF THIS STATUTE SHALL BE
 16 CONSTRUED IN CONFORMITY WITH SIMILAR PROVISIONS OF THE ESTATE TAX
 17 LAW OF THE UNITED STATES; AND FOR RELATED PURPOSES.

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

19 **SECTION 1.** Section 27-9-5, Mississippi Code of 1972, is
 20 amended as follows:

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

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

28 MISSISSIPPI ESTATE TAX SCHEDULE

29	Over	But 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

101	7,000,000	8,000,000	928,400 plus 17.3%	7,000,000
102	8,000,000	9,000,000	1,101,400 plus 17.7%	8,000,000
103	9,000,000	10,000,000	1,278,400 plus 18.1%	9,000,000
104	10,000,000 and over		1,459,400 plus 18.5%	10,000,000

105 Provided, however, that the tax due under this section shall
106 not be less than the state death tax credit allowable under Title
107 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:

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	10,040 plus 4.0%	400,000
122	600,000	800,000	18,040 plus 4.8%	600,000
123	800,000	1,000,000	27,640 plus 5.6%	800,000
124	1,000,000	1,500,000	38,840 plus 6.4%	1,000,000
125	1,500,000	2,000,000	70,840 plus 7.2%	1,500,000
126	2,000,000	2,500,000	106,840 plus 8.0%	2,000,000
127	2,500,000	3,000,000	146,840 plus 8.8%	2,500,000
128	3,000,000	3,500,000	190,840 plus 9.6%	3,000,000
129	3,500,000	4,000,000	238,840 plus 10.4%	3,500,000
130	4,000,000	5,000,000	290,840 plus 11.2%	4,000,000
131	5,000,000	6,000,000	402,840 plus 12.0%	5,000,000
132	6,000,000	7,000,000	522,840 plus 12.8%	6,000,000
133	7,000,000	8,000,000	650,840 plus 13.6%	7,000,000

134	8,000,000	9,000,000	786,840 plus 14.4%	8,000,000
135	9,000,000	10,000,000	930,840 plus 15.2%	9,000,000
136	10,000,000 and over		1,082,840 plus 16.0%	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**
141 **January 1, 2005, this section shall read as follows:]**

142 27-9-5. A tax is hereby imposed upon the transfer of the net
143 estate of every decedent dying on or after January 1, 2000, in an
144 amount equal to the maximum amount of state death tax credit
145 permissible as a credit or deduction in computing any federal
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
148 estate with respect to the items subject to taxation in
149 Mississippi. The tax imposed by this section shall not exceed the
150 aggregate amounts which may by any law of the United States be
151 allowed to be credited against or deducted for federal estate tax.
152 The tax imposed by this section shall be due in the proportion
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
157 laws of the United States now existing or hereafter enacted to be
158 claimed as a deduction or credit against such similar tax of the
159 United States applicable to Mississippi estates.

160 **[For decedents dying on or after January 1, 2005, this**
161 **section shall read as follows:]**

162 27-9-5. A tax equal to the sum of the following percentages
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 2005, whether a resident or a nonresident of the State of
166 Mississippi:

MISSISSIPPI ESTATE TAX SCHEDULE					
	Over	But not over			Of excess over
169	\$ -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	10,000,000 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 of a decedent dying in 1978; the sum of

200 One Hundred Thirty-four Thousand Dollars (\$134,000.00) in the case
201 of a decedent dying in 1979; the sum of One Hundred Forty-seven
202 Thousand Three Hundred Thirty-three Dollars (\$147,333.00) in the
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
209 Thousand Dollars (\$400,000.00) in the case of a decedent dying on
210 or after October 1, 1988, but prior to October 1, 1989; the sum of
211 Five Hundred Thousand Dollars (\$500,000.00) in the case of a
212 decedent dying on or after October 1, 1989, but prior to October
213 1, 1990; the sum of Six Hundred Thousand Dollars (\$600,000.00) in
214 the case of a decedent dying on or after October 1, 1990, but
215 prior to January 1, 1998; the sum of Six Hundred Twenty-five
216 Thousand Dollars (\$625,000.00) in the case of a decedent dying in
217 1998; the sum of Six Hundred Fifty Thousand Dollars (\$650,000.00)
218 in the case of a decedent dying in 1999; the sum of Six Hundred
219 Seventy-five Thousand Dollars (\$675,000.00) in the case of a
220 decedent dying in 2000 or 2001; the amount of the applicable
221 exclusion established under 26 USCS 2010, in the case of a
222 decedent dying * * * in 2002; the sum of Six Hundred Seventy-five
223 Thousand Dollars (\$675,000.00) in the case of a decedent dying on
224 or after January 1, 2005.

225 **SECTION 3.** Section 27-9-59, Mississippi Code of 1972, which
226 provides that the estate tax law of this state shall remain in
227 force and effect so long as the government of the United States
228 retains in full force and effect as a part of the revenue laws of
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
232 possible the terms of this statute shall be construed in

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, 2005.