

**Chapter Tax 10****INHERITANCE TAX**

**Tax 10.01** Accrual of interest on notes,  
deposits and securities

**Note:** Chapter Tax 10 Oil inspection was repealed and a new Chapter Tax 10 Inheritance tax was created effective July 1, 1975.

**Tax 10.01 Accrual of interest on notes, deposits and securities.** (section 72.12, Wis. Stats.) (1) For inheritance tax purposes the accrued interest on interest bearing property should be separately reported for that period from the date of the last preceding interest payment to the date of death at the rate payable if held to maturity. A reduced rate or penalty provided for withdrawal or surrender prior to the maturity date may not be used.

(2) Amounts forfeited by premature withdrawal or surrender shall be considered as expenses of administration. The amount forfeited may be claimed as a deduction for inheritance tax purposes under section 72.14 (1) (c), Wis. Stats., only:

(a) If the premature withdrawal of the funds is shown to be necessary for the payment of other allowable deductions of the estate under section 72.14, Wis. Stats.; and

(b) To the extent not claimed for income tax purposes.

(3) The above procedures apply to transfers by deaths on and after July 1, 1975.