



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Senate Bill 16

**Senate
Amendment 1**

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Currently, a state estate tax is imposed on the transfer of all property that is subject to a federal estate tax. In addition, there is a federal estate tax credit that is an amount equal to state death taxes under the federal estate tax law in effect on December 31, 2000, for deaths occurring during the time period after September 30, 2002 and before January 1, 2008. For deaths occurring after December 31, 2007, the federal estate tax credit is allowed for state death taxes in effect on the day of the decedent's death.

Under current law, the federal estate tax will be eliminated as of December 31, 2007, at which time the state will impose no estate tax on transfers related to deaths occurring after that time, because the state estate tax is linked to the federal tax.

Senate Bill 16 reduces the amount of state estate tax imposed on the transfer of all property that is subject to a federal estate tax by 25% for transfers because of deaths occurring in 2005, 50% for deaths occurring in 2006, and 75% for deaths occurring in 2007.

Senate Amendment 1 deletes the references in current law to the federal estate tax and the federal estate tax credit that is in effect for deaths occurring after December 31, 2007, since there will be no federal estate tax in effect at that time.

Legislative History

The Senate Job Creation, Economic Development and Consumer Affairs Committee held a public hearing on the bill on April 19, 2005. The committee took executive action on the bill on May 27, 2005, and adopted Senate Amendment 1 by a vote of Ayes, 3; Noes, 2, and recommended passage of the bill, as amended, by a vote of Ayes, 3; Noes, 2.

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