CHAPTER 72

ESTATE TAX

72.005 Purpose. The purpose of this chapter is to obtain for Wisconsin the benefit of the maximum credit allowable upon the United States estate tax to the full extent that this state may be entitled, by imposing this tax. This chapter is to be liberally construed to effect this purpose.

History: 1971 c. 310; 1987 a. 27 s. 1538m; Stats. 1987 s. 72.005.

72.01 Definitions. In this chapter, unless otherwise specified:

(1) “Administration” means any proceeding relating to a decedent’s estate whether decedent died testate or intestate.

(4) “Circuit court” means the circuit court which has jurisdiction under s. 72.27.

(6) “Death tax” is a tax imposed by a state, territory or district, because of a death or gift in contemplation of death, on property or a transfer of property, and includes estate, inheritance, succession, legacy and transfer taxes.

(7) “Decedent” means the deceased person.

(8) “Department” means the department of revenue.

(9) “Distributee” means any person to whom property is transferred by reason of a death or in contemplation of death other than in payment of a claim.

(9m) “District attorney” means the district attorney of the county whose circuit court has jurisdiction under s. 72.27.

(11) “Estate” means all property of a decedent transferred by reason of the decedent’s death.

(11m) “Federal credit” means, for deaths occurring after September 30, 2002, and before January 1, 2008, the federal estate tax credit allowed for state death taxes as computed under the federal estate tax law in effect on December 31, 2000, and for deaths occurring after December 31, 2007, the federal estate tax credit allowed for state death taxes as computed under the federal estate tax law in effect on the day of the decedent’s death.

(11n) “Federal estate tax” means, for deaths occurring after September 30, 2002, and before January 1, 2008, the federal estate tax as computed under the federal estate tax law in effect on December 31, 2000, and for deaths occurring after December 31, 2007, the federal estate tax as computed under the federal estate tax law in effect on the day of the decedent’s death.

(12m) “File” means mail or deliver a document that the department prescribes to the department or, if the department prescribes another method of submitting or another destination, use that other method or submit to that other destination.

(13) “The intestate laws of this state” include statutory rights and allowances to a child and to a surviving spouse and any other rights of a surviving spouse acquired by contract in lieu of any statutory rights.

(14m) “Pay” means mail or deliver funds to the department or, if the department prescribes another method of submitting or another destination, use that other method or submit to that other destination.

(16) “Personal representative” means any person to whom letters to administer a decedent’s estate have been granted by the court but does not include a special administrator.

(19) “Property” means any interest, legal or equitable, present or future, in real or personal property, or income therefrom, in possession and enjoyment, trust or otherwise, within or without this state.

(21) “Transfer” means the passing of property.


72.02 Estate tax imposed. An estate tax is imposed upon the transfer of all property that is subject to a federal estate tax and that has a taxable situs in this state. The tax imposed is equal to the federal credit against the federal estate tax as finally determined. If only a portion of a decedent’s property has a taxable situs in this state, the tax imposed is the amount obtained by multiplying the federal credit by a fraction the numerator of which is the value of the decedent’s estate that has a taxable situs in this state and the denominator of which is the total value of the property in the estate that qualifies for the federal credit.

History: 1987 a. 27; 2001 a. 16.

72.045 Timely filing. Documents and payments required or permitted by this chapter that are filed by mail are on time if they are mailed in a properly addressed envelope, if the postage is paid, if the envelope is postmarked before midnight of the due date and if they are received by the department or the person that the department designates receives them no later than 5 days after the due date. Documents and payments that are not mailed are timely if they are received on or before the due date by the department or at the destination that the department prescribes.

History: 1991 a. 39; 1997 a. 27.

72.06 Confidentiality of tax returns. Sections 71.78 (1) (1m), and (4) to (9) and 71.83 (2) (a) 3. and 3m. apply to any information obtained from any person by the department on a death tax
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return, report, schedule, exhibit or other document or from an audit report pertaining to the tax return.

History: 1979 c. 139, 221; 1987 a. 27; 1987 a. 312 s. 17; 2011 a. 68.

Cross-reference: See also ss. Tax 1.11 and 1.12, Wis. adm. code.

72.11 Subjects liable. (1) RESIDENTS AND NONRESIDENTS. A tax is imposed upon any transfer of property to any distributee in the following cases:

(a) When the transfer is from a person who dies while a resident of this state.

(b) When the transfer is of property within the jurisdiction of this state and the decedent was not a resident of this state at the time of the decedent’s death.

(2) EXCEPTION; RECIPROCITY AS TO NONRESIDENT DECEDENTS. A transfer, which is made taxable under this chapter and is of a nonresident decedent’s intangible personal property is not subject to the tax imposed by this chapter if a like exemption is allowed at the time of the death of the decedent by the laws of the state, territory, or district of the decedent’s residence in favor of residents of this state or if the state, territory, or district of the decedent’s residence does not impose a tax on the transfer at death at the time of the death of the decedent.

History: 1971 c. 307, 310; 1973 c. 90; 1987 a. 27 s. 3200 (47); 1991 a. 316; 2003 a. 258.

72.21 Personal liability. (1) Each personal representative, special administrator, and trustee of a trust in existence and containing property on the date of the decedent’s death, is severally liable for the tax imposed by this chapter, with interest, to the extent of the clear market value of all property under the control of that personal representative, special administrator or trustee, the transfer of which is subject to this tax. This liability extends to all taxes due on this chapter on all transfers to a distributee, and is not limited to the value of transfers of property in the control of the personal representative, special administrator or trustee.

(2) A trustee of a trust which comes into existence after the decedent’s death and a distributee are liable for the tax imposed by this chapter, with interest, only to the extent of the clear market value of property transferred to the trustee or distributee.

History: 1971 c. 310; 1979 c. 1; 1987 a. 27 ss. 1504m, 3200 (47); 1991 a. 316.

If due diligence was exercised in determining the assets, the amount of the estate tax falls on the residuary estate. Firstar Trust Co. v. First National Bank of Kenosha, 197 Wis.2d 484, 541 N.W.2d 467 (1995), 95-2508. See also Estate of Sheppard v. Schleis, 2010 WI 1, 324 Wis. 2d 41, 782 N.W.2d 85, 09-1021.

72.22 Payment. (1) WHEN PAYABLE. Except as provided in s. 72.225, the tax imposed by this chapter shall be paid on the date 9 months after the decedent’s death.

(2) ADVANCE PAYMENT. Anyone personally liable for a tax under this chapter may pay an estimated tax before the tax is determined.

(3) PAYMENT. Except as provided in s. 72.225, at the time that the return is filed, the full tax shall be paid. If a prepayment was made, any additional tax shown owing on the return, as filed, shall accompany the return.

History: 1971 c. 310; 1973 c. 90; 1979 c. 1, 34, 221; 1981 c. 20, 317; 1983 a. 27, 212, 248; 1985 a. 29, 261; 1987 a. 27 ss. 1505m to 1507m, 3200 (47); 1995 a. 27; 1997 a. 27.

72.225 Installment payments; closely held businesses. (1) If a percentage of the federal tax on an estate may be paid in installments under section 6166 of the internal revenue code, the same percentage of the taxes under this chapter may be paid under the same installment schedule if the estate tax return file the return for the tax under this chapter, compute the tax due under this chapter, and on or before the due date, as extended, of the federal estate tax return file the return for the tax under this chapter with a copy of the federal estate tax return and a copy of all documents submitted with the federal estate tax return.

(2) The personal representative, special administrator, trustee, distributee, or other person interested shall prepare the return for the county in which the property is located. Distributees of personal property, upon the filing of a notice under sub. (1), shall either provide a lien or provide the department a financial guarantee bond equal to the estimated tax and interest elected to be paid under sub. (1) to secure payment if the tax has not been determined. Upon determination of the tax, distributes of personal property shall provide a lien or provide a financial guarantee bond sufficient to secure payment of the tax and interest or pay the department the excess over the amount of tax and interest secured by the bond. The department may accept a lien affecting only part of the property if there is sufficient security to secure payment of the tax. Any distributee who fails to provide the security required under this subsection or who disposes of one−third or more of the property on which the tax is secured under this subsection, shall pay the tax in full.


72.24 Refunding. Whenever any amount has been paid in excess of the tax determined, the secretary of administration, upon certification by the department or circuit court, shall refund the excess to the payor or other person entitled thereto.


72.27 Jurisdiction of circuit court. (1) RESIDENTS. The circuit court for the county of which the decedent died has jurisdiction to hear and determine all questions arising under this chapter and to do any act authorized by a circuit court in other matters or proceedings coming within its jurisdiction. If 2 or more courts are entitled to exercise jurisdiction, the court first acquiring jurisdiction retains exclusive jurisdiction.

(2) NONRESIDENTS. The circuit court of Dane County has jurisdiction to hear and determine all questions relating to the determination and adjustment of the tax imposed by this chapter, if a tax appears due because of the death of a nonresident decedent and in which it does not otherwise appear necessary for regular administration. If a nonresident dies possessed of real or tangible personal property located within this state, the circuit court of the county in which the property is located shall have concurrent jurisdiction with the circuit court for Dane County.

History: 1971 c. 310; 1973 c. 90; 1977 c. 449; 1987 a. 27 s. 3200 (47).

72.30 Determination of tax. (1) FILING REQUIREMENTS. (a) Except as provided in par. (b), if a federal estate tax return is required, the personal representative, special administrator, trustee, distributee or other person interested shall prepare the return for the tax under this chapter, compute the tax due under this chapter, and on or before the due date, extended, of the federal estate tax return file the return for the tax under this chapter with a copy of the federal estate tax return and a copy of all documents submitted with the federal estate tax return.

(b) The personal representative, special administrator, trustee, distributee, or other person interested shall prepare the return for

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the tax under this chapter in the manner prescribed by the department.

(3) Certificate of Tax. Upon receipt of the return and payment of the tax, the department shall issue a dated certificate showing the amount of tax and any interest.

(4) Hearing in Circuit Court. The attorney general, department, district attorney or any person dissatisfied with the appraisal, assessment or determination of the tax due under this chapter may apply for a hearing before the circuit court within 6 months from the date the certificate in sub. (3) is issued. The applicant must give a written notice to the court stating the grounds of the application. No statute of limitations shall run against the department in cases of fraud or collusion or where property is not disclosed in the return.

(7) Collection. In addition to its powers to collect taxes due under this chapter, the department may proceed in the manner provided in ss. 71.91 (5) and (7). All payments under this chapter after their due date shall be applied first in discharging costs and interest and the balance applied on the tax principal.

History: 1971 c. 310; 1973 c. 90; 1975 c. 41 s. 52; 1975 c. 331; 1977 c. 449 s. 497; 1979 c. 1; 1985 a. 278; 1987 a. 27; 1987 a. 312 s. 17; 1991 a. 39; 1997 a. 27; 35; 255; 2001 a. 16.

Sub. (4) did not bar court review of a tax dispute that arose more than 6 months after the tax certificate was issued. The department must issue a certificate under sub. (3) each time a tax determination is made on an amended return. In Matter of Estate of Halsted, 116 Wis. 2d 23, 341 N.W.2d 389 (1983).

72.36 Sunset. The tax imposed under this chapter does not apply to deaths occurring after December 31, 2012, unless the federal estate tax law is modified to provide a federal estate tax credit for state death taxes.

History: 2013 a. 20.