

ASSEMBLY, No. 931

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

Eliminates the New Jersey Transfer Inheritance Tax and repeals parts of chapters 33 through 37 of Title 54 of the Revised Statutes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** eliminating the Transfer Inheritance Tax and repealing
2 parts of the statutory law.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. The following sections are repealed:
8 R.S.54:33-1 through R.S.54:33-12;
9 R.S.54:34-1 through R.S.54:34-10;
10 R.S.54:34-12;
11 R.S.54:34-13;
12 R.S.54:35-1 through R.S.54:35-22;
13 R.S.54:36-1 through R.S.54:36-7;
14 R.S.54:37-1 through R.S.54:37-8;
15 section 1 of P.L.1940, c.220 (C.54:33-9.1);
16 section 2 of P.L.1985, c.57 (C.54:33-14);
17 section 1 of P.L.1955, c.135 (C.54:34-1.1);
18 section 4 of P.L.1978, c.172 (C.54:35-4.1);
19 section 1 of P.L.1947, c.369 (C.54:35-5.1);
20 section 2 of P.L.1956, c.54 (C.54:35-10.1); and
21 section 1 of P.L.1939, c.122 (C.54:35-23).

22
23 2. This section applies to the transfer of the estate of every
24 decedent dying before July 1, 2015 with respect to the laws
25 repealed by section 1 of P.L. , c. .

26 The repeal shall not affect any obligation, lien or duty to pay
27 taxes, interest or penalties which have accrued or may accrue by
28 virtue of any taxes imposed pursuant to the provisions of the laws
29 repealed, or which may be imposed with respect to any
30 redetermination, correction, recomputation or deficiency
31 assessment.

32 All taxes and returns which would have been due and payable
33 under the provisions of the laws repealed shall be due and payable
34 as if the laws were in effect.

35 The repeal shall not affect the legal authority of the State to audit
36 records and assess and collect taxes due or which may be due,
37 together with such interest and penalties as have accrued or would
38 have accrued thereon under the provisions of the laws repealed.

39 The repeal shall not affect any determination of, or affect any
40 proceeding for, the enforcement of the laws repealed.

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42 3. This act shall take effect immediately and apply to transfers
43 associated with deaths occurring on or after July 1, 2015.

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46 **STATEMENT**

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48 This bill repeals the Transfer Inheritance Tax for transfers of
49 estate for decedents dying on or after July 1, 2015.

1 Currently, New Jersey imposes a Transfer Inheritance Tax on
2 beneficiaries for the receipt of assets from a New Jersey resident
3 decedent and certain New Jersey assets of nonresident decedents, as
4 determined by the value of the assets transferred and the
5 beneficiary's relationship to the decedent.

6 The Transfer Inheritance Tax is one of the State's oldest taxes,
7 originating in 1892. The tax is imposed on the transfer of all
8 personal and real property in the estates of New Jersey resident
9 decedents and of all tangible and real property located in New
10 Jersey in the estates of nonresident decedents. The tax was
11 extensively revised in 1985 to exempt from taxation transfers to
12 spouses, ancestors and descendants of the decedent. But "lateral"
13 transfers, bequests to brothers and sisters of the decedent or their
14 children, and to nonrelatives are taxed at rates of up to 16 percent.

15 This bill would eliminate all remaining taxable "classes" of
16 beneficiaries and eliminate New Jersey's distinction as being one of
17 only six states to impose an inheritance tax, and of being one of
18 only two states, including Maryland, to impose both an inheritance
19 tax and an estate tax.