

SENATE, No. 1441

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Concerns statute of limitations for filing of estate tax refund claim for certain settlements reached with Continuing Care Retirement Community.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning the statute of limitations for the filing of an
2 estate tax refund claim for certain settlements reached with a
3 Continuing Care Retirement Community, amending R.S.54:38-3.

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

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8 1. R.S.54:38-3 is amended to read as follows:

9 54:38-3. a. If, subsequent to the determination of the tax due
10 under this chapter, the amount of the Federal estate tax shall be
11 decreased and the amount of the Federal credit correspondingly
12 reduced by reason of any corrected assessment or redetermination,
13 the tax due hereunder shall be reduced accordingly upon
14 satisfactory proof submitted to the State Tax Commissioner, and, if
15 the tax due hereunder shall have theretofore been paid into the
16 State treasury, the Comptroller of the Treasury, on satisfactory
17 proof of such fact submitted to the State Tax Commissioner, and
18 duly certified by him to the Comptroller, shall draw his warrant on
19 the State Treasurer in favor of the executor, administrator, trustee,
20 person or corporation who has paid said tax, or who may be
21 lawfully entitled to receive the same, for the amount of such tax
22 excessively paid and said warrant shall be paid by the State
23 Treasurer out of any appropriation for the refund of transfer
24 inheritance taxes the same as warrants for the refund of such taxes
25 under the transfer inheritance tax statutes of this State are paid. The
26 foregoing provisions respecting refund shall apply with the same
27 force and effect to any other payments determined by the State Tax
28 Commissioner to have been excessively made under this chapter.

29 b. All applications for the refund of taxes claimed to have been
30 excessively or erroneously paid hereunder must be filed with the
31 State Tax Commissioner within three years from the date of
32 payment.

33 c. (1) Notwithstanding subsection b. of this section, an
34 application for the refund of taxes claimed to have been excessively
35 or erroneously paid with respect to amounts received by the
36 decedent's estate in a settlement, whether by suit or agreement, with
37 the decedent's Continuing Care Retirement Community may be
38 made within three years from the date of payment or from the date
39 of the settlement, whichever is later, but an application for the
40 refund of taxes shall not be made if the settlement occurs more than
41 20 years after the date of the decedent's death.

42 (2) As used in this subsection, a "Continuing Care Retirement
43 Community" is a retirement community subject to the provisions of
44 the "Continuing Care Retirement Community Regulation and
45 Financial Disclosure Act," P.L.1986, c.103 (C.52:27D-330 et seq.).
46 (cf: P.L.1944, c.75, s.1)

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

 Matter underlined thus is new matter.

1 2. This act shall take effect immediately and shall apply
2 retroactively to the estate of each resident decedent dying on or
3 after January 1, 2016.

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STATEMENT

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8 The bill extends the statute of limitations for filing an estate tax
9 refund claim in the limited circumstance where the application for a
10 refund concerns a settlement amount received from the decedent's
11 Continuing Care Retirement Community (CCRC).

12 Current law provides that an estate tax refund claim must be
13 made within three years of payment of the estate tax. However, the
14 strict time limit on filing a refund claim imposes a burden on estates
15 which are able to reach settlements with the decedent's CCRC only
16 after the expiration of the three year statute of limitations. In this
17 instance, the estates are harmed not only by their protracted battle
18 with the CCRC, but also by their inability to file a refund claim on
19 overpaid estate tax. This bill will allow estates to file an estate tax
20 refund claim after settlement with a CCRC so long as the settlement
21 is reached within 20 years of the date of the decedent's death. The
22 bill defines a CCRC as a retirement community which is subject to
23 the provisions of the "Continuing Care Retirement Community
24 Regulation and Financial Disclosure Act," P.L.1986, c.103
25 (C.52:27D-330 et seq.).