

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 461

H. P. 367

House of Representatives, January 29, 1975

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Farnham of Hampden.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Increase Exemptions for the Inheritance Tax and to Increase the Inheritance Tax Rate.

Be it enacted by the People of the State of Maine, as follows:

36 MRSA, §§ 3462-3464, are amended to read:

§ 3462. Tax on Class A

Property which shall so pass to or for the use of the following persons who shall be designated as Class A, to wit: Husband, wife, lineal ancestor, lineal descendant, adopted child, stepchild, adoptive parent, wife or widow of a natural or adopted son or husband or widower of a natural or adopted daughter of a decedent, grandchild who is the natural or adopted child of a natural or adopted child of a decedent, shall be subject to a tax upon the value thereof, in excess of the exemption hereinafter provided; of ~~2%~~ 5% of such value in excess of said exemption as does not exceed \$50,000; of ~~3%~~ 6% of such value as exceeds said \$50,000 and does not exceed \$100,000; of ~~4%~~ 8% of such value as exceeds \$100,000 and does not exceed \$250,000; and of ~~6%~~ 10% of such value as exceeds \$250,000. The value exempt from taxation to or for the use of a husband or wife shall in each case be ~~\$15,000~~ \$50,000. The value exempt from taxation to or for the use of a father, mother, child, adopted child, stepchild or adoptive parent, or grandchild who is the natural or adopted child of a natural or adopted deceased child of a decedent, shall in each case be ~~\$10,000~~ \$25,000. If there is more than one such grandchild, their total exemption shall, per stirpes, be ~~\$10,000~~ \$25,000. The value exempt to or for the use of any other person falling within said Class A, to wit: Grandparent and other lineal ancestors of remoter degrees, wife or widow of a natural or adopted son, or husband or widower of a natural or adopted

daughter of a decedent, grandchild who is the natural or adopted child of a natural or adopted living child of a decedent and other lineal descendants of remoter degrees, shall in each case be ~~\$500~~ \$2,000.

§ 3463. Tax on Class B

Property which shall so pass to or for the use of the following persons who shall be designated as Class B, to wit: Brother, half brother, sister, half sister, uncle, aunt, nephew, niece, grandnephew, grandniece or cousin of a decedent shall be subject to a tax upon the value thereof, in excess of an exemption of ~~\$500~~ \$1,000; of 8% of such value in excess of said exemption as does not exceed \$25,000; of ~~9%~~ 10% of such value as exceeds \$25,000 and does not exceed \$100,000; of ~~10%~~ 12% of such value as exceeds \$100,000 and does not exceed \$250,000; and of ~~12%~~ 14% of such value as exceeds \$250,000.

§ 3464. Tax on Class C

Property which shall so pass to or for the use of any person not falling within either of the classes hereinbefore set forth shall be subject to a tax upon the value thereof, in excess of an exemption of ~~\$500~~ \$1,000; of ~~12%~~ 14% of such value in excess of said exemption as does not exceed ~~\$50,000~~ \$75,000; of ~~14%~~ 16% of such value as exceeds ~~\$50,000~~ \$75,000 and does not exceed ~~\$100,000~~ \$150,000; and of ~~16%~~ 18% of such value as exceeds ~~\$100,000~~ and does not exceed ~~\$250,000~~; and of ~~18%~~ of such value as exceeds ~~\$250,000~~ \$150,000.

FISCAL NOTE

The last change in this Act was in 1959 at which time the exemption for spouses was increased from \$10,000 to \$15,000. Inflation has made \$50,000 today no greater than \$15,000 in 1959. Other rates have been changed so there will be no loss of revenue.

STATEMENT OF FACT

The purpose of this Act is to increase exemptions for the inheritance tax and to increase the inheritance tax rate.