

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 686

H. P. 557 House of Representatives, February 18, 1975
Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Sprowl of Hope.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Remove the Inheritance Tax Exemption for Life Insurance Proceeds in Excess of \$50,000 and to Increase the Inheritance Tax Exemption for Husbands and Wives.

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

Sec. 1. 36 MRSA § 3461, sub-§ 2 is amended to read:

2. **Life insurance.** All proceeds of life insurance policies upon the life of a decedent payable to his estate or to his executors or administrators except, if testate, such part thereof as is bequeathed to a widow or widower, or issue, or, if intestate, such part thereof as descends under Title 18, section 853 and all proceeds in excess of \$50,000 of life insurance policies payable to any one named beneficiary.

Sec. 2. 36 MRSA § 3462, 2nd sentence is amended to read:

The value exempt from taxation to or for the use of a husband or wife shall in each case be ~~\$15,000~~ \$30,000.

Sec. 3. **Effective date.** This Act shall apply to property and interests passing on or after January 1, 1976.

FISCAL NOTE

The enactment of section 1 of this bill would result in an increase in General Fund Revenue, the amount of which is speculative. Corporate fiduciaries and estate planning lawyers believe that this is an increasing area for revenue and it has been estimated that the increase for the next biennium might be approximately \$200,000. Section 2 of this bill would result in a loss of General Fund Revenue amounting to \$1,100,000 for a year.

STATEMENT OF FACT

The purpose of this bill is to remove the inheritance tax exemption where the total amount of life insurance payable to any one named beneficiary exceeds \$50,000 and to increase the inheritance tax exemption for a husband or wife from \$15,000 to \$30,000.