

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-363)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT" A" to H.P. 1145, L.D. 1407, Bill "AN
ACT Relating to Gifts in Contemplation of Death."

Amend the bill by striking out all of section 2 and in-
serting in its place the following:

'Sec. 2. 36 MRSA §3471 is enacted to read:

§3471. Transfer in contemplation of death

Any deed, grant or gift, including any federal gift tax paid by the grantor or donor completed inter vivos, except in cases of bona fide purchase for full consideration in money or money's worth, made after December 31, 1976 and within 3 years prior to the death of the grantor or donor, shall be deemed to have been made in contemplation of the death of the grantor or donor. Notwithstanding any provision of section 3461, no deed, grant or gift made more than 3 years prior to the death of the grantor or donor shall be subject to a tax hereunder unless made or intended to take effect in possession or enjoyment after the death of the grantor or donor. Gifts made after December 31, 1976 of \$3,000 or less made to any one person during each of the 3 years prior to death of the grantor or donor are excluded from consideration as transfers in contemplation of death.'

Statement of Fact

This amendment brings the bill in line with federal tax law by increasing to 3 years from 2/^{years}the period prior to death in which gifts are assumed to be in contemplation of death. Also, gifts of less than \$3,000 during the 3-year period are excluded from consideration as transfers in contemplation of death. The combination of the additional years and the new exclusion would result in an increase in General Fund Revenue which would be the same as originally indicated in the statement of fact.

Reported by the Committee on Taxation
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