SENATE DOCKET, NO. 1473 FILED ON: 1/17/2019

SENATE . . . . No. 1713

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the Massachusetts estate tax code.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Jason M. Lewis	*Fifth Middlesex*	
José F. Tosado	*9th Hampden*	*1/30/2019*

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SENATE . . . . No. 1713

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1713) of Jason M. Lewis and José F. Tosado for legislation relative to the Massachusetts estate tax code. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *4210* OF 2017-2018.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

An Act relative to the Massachusetts estate tax code.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 2A of chapter 65C of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting, in line 2, after the figure “1997” the following words:-

and on or before December 31, 2018

SECTION 2. Said chapter 65C is hereby amended by inserting after section 2A the following new section:-

Section 2B. (a) For the purposes of this section, the following terms shall have the following meanings:-

"Adjusted taxable estate", the sum of the taxable estate, as defined in section 2051 of the Code, and any taxable gifts, as defined in section 2503 of the Code, with a Massachusetts situs made by the decedent within 3 years of the date of death, less the exemption as determined under this subsection.

"Code", the Internal Revenue Code of the United States, as amended and in effect on December 31, 2000, unless the context clearly indicates otherwise.

"CPI", the consumer price index for any calendar year as defined in section 1 of the Code, as amended on January 1, 2005 and in effect for the calendar year.

"Exemption", $1,000,000 for calendar years beginning on or after January 1, 2019 and before January 1, 2020. For calendar years beginning on or after January 1, 2020, the exemption shall be $1,000,000 increased by an amount equal to $1,000,000 multiplied by the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for calendar year 2019. If the amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.

(b)(1) A tax is hereby imposed upon the transfer of the estate of each person dying on or after January 1, 2019 who, at the time of death, was a resident of the commonwealth in accordance with the following table:

If the adjusted taxable estate is:		The Massachusetts estate tax shall be:
Over	But not over	
0	90,000	1.6% of the adjusted taxable estate
90,000	140,000	$1,440 plus 2.4% of the excess over $90,000

140,000	240,000	$2,640 plus 3.2% of the excess over $140,000
240,000	440,000	$5,840 plus 4% of the excess over $240,000
440,000	640,000	$13,840 plus 5% of the excess over $440,000
640,000	840,000	$23,840 plus 6% of the excess over $640,000
840,000	1,040,000	$35,840 plus 7% of the excess over $840,000
1,040,000	1,540,000	$49,840 plus 8% of the excess over $1,040,000
1,540,000	2,040,000	$89,840 plus 9% of the excess over $1,540,000
2,040,000	2,540,000	$134,840 plus 10% of the excess over $2,040,000
2,540,000	3,040,000	$184,840 plus 11% of the excess over $2,540,000
3,040,000	3,540,000	$239,840 plus 12% of the excess over $3,040,000
3,540,000	4,040,000	$299,840 plus 13% of the excess over $3,540,000
4,040,000	5,040,000	$364,840 plus 14% of the excess over $4,040,000
5,040,000	6,040,000	$504,840 plus 15% of the excess over $5,040,000
6,040,000		$654,840 plus 16% of the excess over $6,040,000

(2) A credit shall be allowed against the tax imposed under this subsection equal to the lesser of:

(i) the aggregate amount of all estate, inheritance, legacy and succession taxes actually paid to the several states of the United States, other than the commonwealth, in respect to any property owned by that decedent or subject to those taxes as part of or in connection with his estate; or

(ii) an amount equal to the proportion of the tax determined under paragraph (1) as the value of properties taxable by other states bears to the value of the entire federal gross estate wherever situated.

(c) A tax is hereby imposed upon the transfer of real property situated in this commonwealth and upon tangible personal property having an actual situs in this commonwealth of every person who at the time of his death was not a resident of the commonwealth. The amount of this tax is a sum equal to the proportion of the tax determined under paragraph (1) of subsection (b) which the value of Massachusetts real and tangible personal property taxed in this commonwealth subject to such tax bears to the value of the decedent's total federal gross estate.

(d) Notwithstanding any other provision of law, the tax imposed by subsections (a) and (b) shall be computed upon the value of any property subject to a power of appointment which is includible in the federal gross estate, notwithstanding that a tax has been paid thereon pursuant to section 14 of chapter 65.

(e) For the purposes of computing the tax imposed by this section, the provisions of section 3 shall not apply.