

COUNCIL OF THE DISTRICT OF COLUMBIA

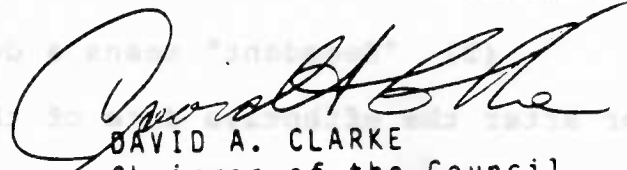
NOTICE

D.C. LAW 6-168

"Inheritance and Estate Tax Revision Act  
of 1986".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 6-372 on first and second readings, September 23, 1986 and October 7, 1986, respectively. Following the signature of the Mayor on October 27, 1986, this legislation was assigned Act No. 6-217, published in the November 14, 1986, edition of the D.C. Register, (Vol. 33 page 7008) and transmitted to Congress on January 7, 1987 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 6-168, effective February 24, 1987.

  
DAVID A. CLARKE  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

January 7,8,9,12,13,14,15,16,20,21,22,23,26,27,28,29,30

February 2,3,4,5,6,9,10,11,17,18,19,20,23

~~EFFECTIVE~~ FEB 24 1987

AN ACT

Codification  
New, Chapter  
37 of title 4

D.C. ACT 6 - 2 1 7

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

OCT 2 7 1986

To revise inheritance and estate tax laws in the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,  
That this act may be cited as the "Inheritance and Estate  
Tax Revision Act of 1986".

Sec. 2. Definitions.

For the purpose of this act, the term:

(1) "Council" means the Council of the District  
of Columbia.

New, D.C. Cod  
sec. 47-3701  
(1987 supp.)

(2) "Decedent" means a deceased person who died  
on or after the effective date of this act.

(3) "District" means the District of Columbia.

(4) "Federal credit" means the maximum amount of  
credit for state death taxes allowable by section 2011 of  
the United States Internal Revenue Code of 1954, in respect  
to a decedent's taxable estate. As used in this paragraph,  
the maximum amount shall be construed so as to take full  
advantage of the tax credit as the laws of the United States

may allow. In no event, however, shall the amount be less than the federal credit allowable by section 2011 of the Internal Revenue Code of 1954 as it existed on January 1, 1986.

(5) "Gross estate" means gross estate as defined in section 2031 of the Internal Revenue Code of 1954.

(6) "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, approved August 6, 1954 (68A Stat. 3; 26 U.S.C. 101 et seq.), in effect for federal estate tax purposes on January 1, 1986.

(7) "Mayor" means the Mayor of the District of Columbia.

(8) "Nonresident" means a decedent who was domiciled outside the District at his death.

(9) "Personal representative" means the personal representative or other person appointed by the court to administer the property of the decedent. If there is no personal representative or other person appointed, qualified, and acting within the District, then any person in actual or constructive possession of any property having a situs in the District that is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the District estate tax due with respect to the property.

(10) "Rate of interest" means, interest assessed

under this act computed at the rate of 1 and 1/4% per month or any portion of a month.

(11) "Resident" means a decedent who was domiciled in the District at his or her death.

(12) "State" means any state, territory, or possession of the United States and the District.

(13) "Taxable estate" means taxable estate as defined in section 2051 of the Internal Revenue Code of 1954.

(14) "Value" means value as finally determined for federal estate tax purposes under the Internal Revenue Code of 1954.

Sec. 3. Tax on transfer of taxable estate of residents; amounts; credit; property of resident defined.

New, D.C. Co  
sec. 47-3702  
(1987 supp.)

(a) A tax in the amount of the federal credit is imposed on the transfer of the taxable estate having its taxable situs in the District of every resident dying on or after the effective date of this act subject, where applicable, to the credit provided for in subsection (b) of this section.

(b) If any real or tangible personal property of a resident is located outside the District and subject to a death tax imposed by another state for which a credit is allowed under section 2011 of the Internal Revenue Code of 1954, the amount of tax due under this section shall be

credited with the lesser of:

(1) The amount of the death tax paid the other state and that qualifies for credit against the federal estate tax; or

(2) An amount computed by multiplying the federal credit by a fraction, the numerator of which is the value of that part of the gross estate over which another state or states have jurisdiction to the same extent that the District would exert jurisdiction under this act with respect to the residents of the other state or states and the denominator of which is the value of the decedent's gross estate.

(c) For the purposes of this section, taxable situs means in regard to:

(1) Real property - the place where the property is situated;

(2) Tangible personal property - the place where the property is customarily located at the time of the decedent's death; and

(3) Intangible personal property - the domicile of the decedent at the time of the decedent's death, except that intangible personal property used in a trade or business in the District shall have a taxable situs in the District regardless of the domicile of the owner.

Sec. 4. Tax on transfer of taxable estate of

New, D.C. Co  
sec. 47-370  
(1987 supp.

nonresidents; property of nonresident defined.

(a) A tax in an amount computed as provided in this section is imposed on the transfer of every nonresident's taxable estate having its taxable situs in the District.

(b) The tax shall be an amount computed by multiplying the federal credit by a fraction, the numerator of which is the value of that part of the gross estate over which the District has jurisdiction for estate tax purposes and the denominator of which is the value of the decedent's gross estate.

(c) For the purposes of this section, taxable situs means in regard to:

(1) Real property - the place where the property is situated;

(2) Tangible personal property - the place where the property is customarily located at the time of the decedent's death; and

(3) Intangible personal property - the domicile of the decedent at the time of the decedent's death, except that intangible personal property used in a trade or business in the District shall have a taxable situs in the District regardless of the domicile of the owner.

Sec. 5. Authority for Mayor to compromise tax.

In all cases in which the Mayor claims that a decedent was domiciled in the District at the time of his or her

New, D.C. Co  
sec. 47-3704  
(1987 supp.)

death and the taxing authorities of a state or states make a similar claim with respect to their state or states, the Mayor may compromise the taxes imposed by this act.

Sec. 6. Filing returns; payment of tax due.

New, D.C. Code  
sec. 47-3705  
(1987 supp.)

(a) The personal representative of every estate subject to the tax imposed by this act who is required to file a federal estate return shall file with the Mayor, within 10 months after the death of the decedent:

- (1) A return for the tax due under this act; and,
- (2) A copy of the federal estate tax return.

(b) If the personal representative has obtained an extension of time for filing the federal estate tax return, the filing required by subsection (a) of this section shall be similarly extended until 30 days after the end of the time period granted in the extension of time for the federal estate tax return. Upon obtaining an extension of time for filing the federal estate tax return, the personal representative shall provide the Mayor with a copy of the extension of time.

(c) The tax due under this act shall be paid by the personal representative to the Mayor no later than the date when the return covering this tax is required to be filed under subsection (a) or (b) of this section. If the tax is paid pursuant to subsection (b) of this section, interest at a rate equal to the rate of interest established pursuant to

section 2(10) shall be added for the period between the date when the tax would have been due had no extension been granted and the date of full payment.

(d) Whenever the Mayor determines that the tax due under this act has been overpaid, the estate shall be entitled to a refund of the amount of the overpayment. An application for the refund shall be made to the Mayor within 3 years from the date of payment.

Sec. 7. Jeopardy assessments.

(a) If the Mayor determines that the collection of the tax imposed by this act will be jeopardized by delay, he or she shall, whether or not the time otherwise prescribed by law for making a return and paying the tax has expired, immediately assess the tax, together with all interest and penalties. The tax, interest, and penalties shall become immediately due and payable, and immediate notice and demand shall be made by the Mayor for payment. Upon failure or refusal to pay the tax, interest, or penalties, the Mayor may collect by distraint.

(b) The collection of the whole or any part of the amount assessed under subsection (a) of this section may be stayed by filing with the Mayor a bond in the amount, not exceeding double the amount as to which the stay is desired, and with sureties as the Mayor deems necessary, conditioned upon the payment of the amount the collection of which is

New, D.C. Co.  
sec. 47-3706  
(1987 supp.)



stayed, at the time at which, but for this section, the amount would be due.

Sec. 8. Authority for the Mayor to file.

New, D.C. Code  
sec. 47-3707  
(1987 supp.)

If any person fails to file a return at the time prescribed by law, or files a false or fraudulent return, the Mayor shall make a return from his or her own knowledge and from other information as he or she can obtain. Any return made by the Mayor pursuant to this section shall constitute prima facie evidence of the amount due.

Sec. 9. Amended returns.

New, D.C. Code  
sec. 47-3708  
(1987 supp.)

(a) If the personal representative files an amended federal estate tax return, he or she shall, within 30 days after filing the amended federal estate tax return, file with the Mayor an amended return covering the tax imposed by this act, accompanying the amended return with a copy of the amended federal estate tax return. If the personal representative is required to pay an additional tax under this act pursuant to the amended return, he or she shall pay the tax, together with interest as provided in section 2(10), at the time of filing the amended return.

(b) If, upon final determination of the federal estate tax due, a deficiency is assessed, the personal representative shall within 30 days after this determination give written notice of the deficiency to the Mayor. If any additional tax is due under this act by reason of this