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## FISCAL IMPACT REPORT

SPONSOR Foley DATE TYPED 2-4-04 HM 12

SHORT TITLE Repeal Death Tax SB \_\_\_\_\_

ANALYST Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		See Narrative		

(Parenthesis ( ) Indicate Revenue Decreases)

Related to:

HJM 64, Support Permanent Estate Tax Repeal

### SOURCES OF INFORMATION

LFC Files

Response Received From  
Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

House Memorial 12 requests the US Congress support the permanent repeal of the estate tax.

#### Significant Issues

The federal estate tax is currently scheduled to be phased out in the year 2010 but then to be reinstated in 2011. The state's collections of estate tax are based on a section of federal law which essentially permits the states to collect a portion of the federal estate tax. That section of federal law is being phased out, and the state will no longer collect estate taxes after FY 2005 without structural changes to their own taxes.

**FISCAL IMPLICATIONS**

The Consensus Revenue Estimating Groups current forecast for FY04 is \$8 million and \$2.8 million in FY05. Thereafter it is repealed.

**SN/Ig**