

LEGISLATIVE HISTORY CHECKLIST

(Transfer inheritance tax-- compensation for wrongful death of decedant--tax to be paid within 30 days of receipt)

NJSA 54:35-1, 54:35-3, 54:35-4

LAWS OF 1978

CHAPTER 172

Bill No. S348

Sponsor(s) Vreeland

Date Introduced Pre-filed

Committee: Assembly Taxation

Senate Revenue, Finance, Appropriations

Amended during passage Yes \* Amendments during passage denoted by asterisks

Date of Passage: Assembly Oct. 5, 1978

Senate Feb. 16, 1978

Date of approval Dec. 28, 1978

Following statements are attached if available:

Sponsor statement Yes \* Below

Committee Statement: Assembly \* No

Senate Yes \* No

Fiscal Note \* No

Veto Message \* No

Message on signing \* No

Following were printed:

Reports \* No

Hearings \* No

Sponsor's statement:

This bill redefines the date on which certain property is includible as a decedents estate for transfer inheritance tax purposes.

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9/1/78 MAY 1979



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SENATE, No. 348

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1978 SESSION

By Senator VREELAND

AN ACT providing for the date on which certain property is includible in the estate of a decedent for transfer inheritance tax purposes, and amending sections 54:35-1, 54:35-3 and 54:35-4 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. R. S. 54:35-1 is amended to read as follows:

2 54:35-1. Taxes under chapters 33 to 36 of this Title (§ 54:33-1  
3 et seq.), shall be due and payable at the death of the testator,  
4 intestate, grantor, donor or vendor, unless otherwise provided by  
5 said chapters 33 to 36; *but, with respect to any sum recovered*  
6 **\*\*[under N. J. S. 2A:31-1 et seq.]\*\*** *as compensation for* **[wrong-**  
7 *ful death of a decedent] *\* death of a person caused by a wrongful*  
8 *act, neglect or default\*, whether by award of damages or settlement*  
9 *of compromise, taxes thereon shall be due and payable on the date*  
10 *of said award or settlement.**

1 2. R. S. 54:35-3 is amended to read as follows:

2 54:35-3. If such tax is not paid within 8 months after the **[death**  
3 **of the decedent]** *date on which it became due and payable pursuant*  
4 *to R. S. 54:35-1, the tax shall bear interest at the rate of 10%*  
5 *per annum from the expiration of 8 months after the [death of the*  
6 **decedent]** *date on which it became due and payable to the date*  
7 *when the tax is paid, unless, payment was tendered by the tax-*  
8 *payer within the 8 months period and is evidenced by the post-*  
9 *mark on the letter conveying the payment, or by other acceptable*  
10 *proof, but was not credited through no fault of the taxpayer, in*  
11 *which case no interest shall be charged, or unless, by reason of*  
12 *claims made upon the estate, necessary litigation or other un-*  
13 *avoidable cause of delay, the decedent's estate, or a part thereof,*  
14 *cannot be settled before the expiration of 8 months from the*

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**



15 **[death of the decedent]** *date on which said tax became due and*  
 16 *payable*, in which case only 6% per annum shall be charged from  
 17 the expiration of such 8 months until the cause of delay is removed;  
 18 provided, however, that if the decedent shall have heretofore died  
 19 or shall hereafter die while a member of the Armed Forces of the  
 20 United States, no such tax shall commence to bear such interest  
 21 until the expiration of 8 months after receipt of official notification  
 22 of the death of the decedent by the wife, husband, father, mother,  
 23 or next of kin of such decedent.

1 3. R. S. 54:35-4 is amended to read as follows:

2 54:35-4. When executors, administrators, grantees, donees,  
 3 vendees or trustees fail to pay the tax imposed by chapters 33 to 36  
 4 of this Title (section 54:33-1 et seq.), within 8 months from the  
 5 **[death of the decedent]** *date on which said tax became due and*  
 6 *payable pursuant to R. S. 54:35-1*, they shall be required to give a  
 7 bond to the State of New Jersey in double the amount of the tax,  
 8 conditioned to pay the tax and interest which may fall due, the bond  
 9 to be approved as to form and sufficiency by the **[State Tax Com-**  
 10 **missioner]** *Director of the Division of Taxation.*

1 **\*\*4.** *(New section) Notwithstanding the provisions of R. S.*  
 2 *54:35-3 and R. S. 54:35-4, with respect to any sum recovered as*  
 3 *compensation for death of a person caused by a wrongful act,*  
 4 *neglect or default, interest shall accrue at the rates and in the*  
 5 *manner provided in R. S. 54:35-3 and a bond shall be required to*  
 6 *be given as provided in R. S. 54:35-4, if the tax is not paid within*  
 7 *30 days of the receipt of an award or settlement therefor.\*\**

1 **\*\*[4.]\*\*** **\*\*5.\*\*** This act shall take effect immediately.



SENATE REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO  
**SENATE, No. 348**

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**STATE OF NEW JERSEY**

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DATED: JANUARY 26, 1978

This bill amends the Transfer Inheritance Tax Law to provide that, with respect to sums recovered under the Death By Wrongful Act Statute, taxes shall become due and payable on the date of the award of damages or settlement of compromise, rather than the date of death of the decedent.

The purpose of this bill is to remove an inequity in present law. The inequity arises when persons entitled to the amount recovered under the terms of the Death By Wrongful Act Statute are required not only to pay an inheritance tax but also pay interest on the tax on a decedent's estate when that estate was settled after the Inheritance Tax Law's eight-month grace period, following the decedent's death, had expired.

Committee amendments are technical in nature and bring the terminology of this bill in conformance with the Death Act.