

LEGISLATIVE HISTORY OF R.S. 54:34-1.1
(Transfer inheritance tax -- Property transferred prior to death)

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No similar bill introduced in 1954.

L. 1955 - Chapter 135 - A297
Introduced May 7 by Mr. Beadleston.
Bill had statement (copy enclosed).
Not amended during passage.

No hearings or reports on this legislation were located.

We searched the following without success:
N.J.L.J. Vol. 78, 1955

RS/ei

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ASSEMBLY, No. 297

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1955

By Mr. BEADLESTON .

Referred to Committee on Judiciary

AN ACT concerning transfer inheritance taxes, and supplementing Title 54 of
the Revised Statutes.

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

1 1. A transfer of property by deed, grant, bargain, sale or gift wherein
2 the transferor is entitled to some income, right, interest or power, either ex-
3 pressly or by operation of law, shall not be deemed a transfer intended to
4 take effect at or after transferor's death if the transferor, more than 3 years
5 prior to death, shall have executed an irrevocable and complete disposition
6 of all reserved income, rights, interests and powers in and over the property
7 transferred.

1 2. This act shall take effect immediately.

STATEMENT

This bill is designed to cure a discrepancy between the New Jersey Transfer Inheritance Tax Law and the Federal Estate Tax Law and the Estate Tax Laws of many of our sister states; notably New York and Pennsylvania. New Jersey now taxes trusts merely because the death of a grantor causes a shift in beneficial interest from one person to another. The tax is asserted even though the grantor has retained no beneficial interest in, and no power over, the property. Such trusts are exempt under Federal and New York statutes

and under the Pennsylvania Statute as construed by the cases. The proposed act eliminates this unfairness to residents of New Jersey in comparison to residents of neighboring states.

The proposed bill does not affect the present rules of taxation of gifts "in contemplation of death."

INTRODUCED MARCH 7, 1933

BY MR. BULLINGTON

Reference to Committee on Judiciary

Act for amending the laws relating to the taxation of property and applying Title 54 of

the Revised Statutes

1 The transferor shall be deemed to have retained the beneficial interest in the property

2 Jersey

3 A transfer of property shall not be deemed to have taken effect until the transferor

4 the transferor is entitled to some interest in the property or power to dispose of

5 property or by operation of law shall not be deemed to have taken effect until the

6 take effect in the case of a transferor's death if the transferor, for a term of years

7 prior to death, shall have exercised an irrevocable and exclusive disposition

8 of all received income, rights, interests and powers in and to the property

9 transferred.

10 2. This act shall take effect immediately.

EXPLANATION

This bill is designed to amend the law between the New Jersey Transferor for Residence Tax Law and the Federal State Tax Law and the Federal Tax Law of many of our sister states, notably New York and Pennsylvania. The law now taxes transfers merely because the death of a grantor causes a transfer in beneficial interest from one person to another. The tax is imposed even though the grantor has retained no beneficial interest in and no power over the property. Such a law is an example of what Federal and New York states