

54:35-5; 54:35-5.1

LEGISLATIVE HISTORY CHECKLIST

HJSA 54:35-5; 54:35-5.1 (Inheritance taxes--increase lien period, reduce time limit of liability)

LAWS OF 1979 CHAPTER 417

Bill No. A1050

Sponsor(s) Matthews

Date Introduced March 6, 1978

Committee: Assembly Taxation

Senate Revenue, Finance & Appropriations

Amended during passage ~~Yes~~ No

Date of Passage: Assembly Jan. 18, 1979

Senate Dec. 10, 1979

Date of approval Feb. 8, 1980

Following statements are attached if available:

Sponsor statement Yes ~~NR~~

Committee Statement: Assembly Yes ~~NR~~

Senate Yes ~~NR~~

Fiscal Note Yes ~~NR~~

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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9/1/78
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ASSEMBLY, No. 1050

STATE OF NEW JERSEY

INTRODUCED MARCH 6, 1978

By Assemblyman MATTHEWS

Referred to Committee on Taxation

AN ACT relating to transfer inheritance taxes and amending R. S.
54:35-5 and P. L. 1947, c. 369.

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

1 1. R. S. 54:35-5 is amended to read as follows:

2 54:35-5. Notwithstanding the provisions of any other law, taxes
3 heretofore or hereafter imposed, whether levied and assessed or
4 not, under chapters 33 to 36 of this Title (§ 54:33-1 et seq.), shall
5 be and remain a lien on all property owned by the decedent as of
6 the date of his death for a period of **[2]** 15 years **[after July 1,**
7 **1946, or of 10 years]** after the date of such death, **[whichever shall**
8 **expire later,]** and no longer, unless sooner paid or secured by bond
9 as provided by said chapters 33 to 36.

1 2. Section 1 of P. L. 1947, c. 369 (C. 54:35-5.1) is amended to read
2 as follows:

3 1. On the expiration of a period of **[20]** 15 years after the date
4 when any transfer inheritance tax assessed or assessable under
5 chapters 33 to 36 of Title 54, or any amendment thereof or supple-
6 ment thereto, or under P. L. 1909, c. 228, as amended and supple-
7 mented, became or shall become due and payable, (1) no proceeding
8 shall thereafter be instituted to assess or collect said tax, interest
9 or penalties chargeable thereunder; (2) no notice to, or written
10 consent of, the Director of the Division of Taxation, relative to
11 the transfer of real or personal property, as required by sections
12 54:35-19 and 54:35-21 of the Revised Statutes, shall be necessary;
13 (3) the personal liability of executors, administrators, trustees,
14 grantees, donees, vendees, devisees, legatees, heirs, next-of-kin and
15 beneficiaries for said tax, interest and penalties shall cease; and
16 (4) the director is hereby authorized to cancel all assessments of

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

17 taxes, interest and penalties, the collection of which is barred by
18 the limitations herein provided and to destroy returns and records
19 relating thereto which are rendered useless by the provisions of
20 this act. Nothing herein contained, however, shall affect the rights
21 of the State (a) under any certificate of debt, decree or judgment
22 for taxes, interest and penalties duly recorded with the Clerk of the
23 Superior Court, or with any county clerk; or (b) to assess and
24 enforce collection of any tax, interest and penalties pursuant to
25 the terms of any bond or other agreement securing the payment of
26 such tax, interest and penalties.

1 3. This act shall take effect immediately.

STATEMENT

This bill increases the lien period for inheritance taxes from 10 to 15 years and reduces the time limit of the liability from 20 to 15 years.

Since the lien under present law exists for 10 years, some estate representatives hold off paying taxes until the estate properly is free of the lien. The tax, if any, is not paid in the hope that the State will not discover the liability. After 20 years have passed, there is no longer any liability and the State loses whatever tax might be due.

In order to establish uniformity, this bill would reduce the liability period to 15 years and at the same time increase the lien period to 15 years. Thus, after 15 years there would be no lien, no liability, no waiver requirements and no necessity to file an inheritance tax return.

A1050(1979)

ASSEMBLY TAXATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1050

STATE OF NEW JERSEY

DATED: NOVEMBER 13, 1978

The committee released Assembly Bill No. 1050 favorably as a means to improve administration within the Inheritance Tax Bureau. This will enable the bureau to destroy files which are more than 15 years older rather than more than 20 years old, and at the same time will extend the liability to 15 years resulting in savings to the State of a nominal amount.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1050

STATE OF NEW JERSEY

DATED: JUNE 14, 1979

This bill will improve administration within the Inheritance Tax Bureau and has the endorsement of the Division of Taxation. The Bureau will be able to destroy files which are 15 years old or older rather than 20 years old and at the same time the bill will extend the liability to 15 years resulting in a nominal savings to the State.

FISCAL NOTE TO
ASSEMBLY, No. 1050

STATE OF NEW JERSEY

DATED: OCTOBER 10, 1979

Assembly Bill No. 1050 increases the lien period for inheritance taxes from 10 to 15 years and reduces the time limit of the liability from 20 to 15 years.

The Department of Treasury estimates that enactment of this legislation would increase the revenues of the State by \$2,400.00 per year.

The department further states that this bill would provide uniformity of Inheritance Tax liens and liability. The statute of limitations for both would be 15 years. The savings would be the result of the savings in storage space.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

S-1451, sponsored by Wayne Dumont, Jr. (R-Warren), which amends several statutes dealing with the responsibility of parents for the support of their children, clarifying that the legal obligation of parents is limited to children under 18.

S-3274, sponsored by Senator Joseph P. Merlino (D-Mercer), which repeals certain sections of Title 51 of the Revised Statutes, which have become obsolete. The sections repealed include laws prescribing the standard size for cranberry barrels and the dimension for "climax baskets" for fruits and vegetables.

S-1471, sponsored by Senator Raymond J. Zane (D-Gloucester), which permits boards of education to allow school buses owned or leased by the school district to be used for transportation of senior citizens' groups and handicapped citizens to and from events within the district or another district as may be approved by the board.

A-359, sponsored by Assemblyman Karl Weidel (R-Mercer), which provides that police accident reports are public records, establishing the charge for copies as that established for copies of all other public records.

A-1050, sponsored by Assemblyman Michael J. Matthews (D-Atlantic), which increases the lien period for inheritance taxes from ten to fifteen years, and reduces the time limit of the liability from 20 years to 15 years.

In order to establish uniformity, this bill reduces the liability period to fifteen years, and at the same time increases the lien period to fifteen years. Thus, after fifteen years, there will be no lien, no liability, no waiver requirements and no necessity to file an inheritance tax return.

A-3067, sponsored by Assemblyman Buddy Fortunato (D-Essex), which eliminates the role of county and local governments in licensing solid fuel dealers, and streamlines the licensing system.

A-579, sponsored by Assemblyman Albert Burstein (D-Bergen), which requires service of notice on an in rem foreclosure action upon all those whose names appear on a municipality tax roll.

A-758, sponsored by Assemblyman James R. Hurley (R-Cumberland), which amends S. 44:7-15 to clarify that the effective period of a judgement lien filed by a county welfare agency for assistance advanced to a recipient is twenty years.