

MINNESOTA • REVENUE

Estate Tax Resolution to Congress to Repeal the Federal Estate Tax

April 14, 2003

	Yes	No
Separate Official Fiscal Note Requested		
Fiscal Impact		
DOR Administrative Costs/Savings		

Department of Revenue
Analysis of S.F. 539 (Bachmann)/ H.F. 764 (Vandever)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

EXPLANATION OF THE BILL

Current Law: Under current federal law, the estate tax is gradually phased out by incrementally increasing the exclusion amount from \$1 million for deaths in 2003 to \$3 million for deaths in 2009. For deaths in 2010 only, the estate tax is repealed. Then starting in 2011, the 2001 federal law changes expire, and prior federal law comes back into effect.

Proposed Law: The resolution urges Congress to repeal immediately and permanently the federal estate tax. The resolution also directs the Secretary of State of the State of Minnesota to prepare copies of the resolution and send them to the President of the United States and other federal government officials.

REVENUE ANALYSIS DETAIL

- If Congress repealed the federal estate tax, there would be no impact on the state revenues unless there was also a change in Minnesota law. The current Minnesota estate tax is based on pre-2001 federal law.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

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