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HOUSE BILL NO. 275

Offered January 13, 2010

Prefiled January 11, 2010

A BILL to amend and reenact § 58.1-902 of the Code of Virginia, relating to the estate tax.

Patron—Englin

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-902 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-902. Tax on transfer of taxable estate of residents; amounts; credit; property of resident defined.

A. *If there is a federal credit in existence at the time of the decedent's death, a tax in the amount of the federal credit is imposed on the transfer of the taxable estate of every resident, subject, where applicable, to the credit provided for in subsection B.*

B. *If there is no federal credit in existence at the time of the decedent's death, a tax in the amount of one-half of the federal credit allowable by § 2011 of the Internal Revenue Code as it existed on January 1, 1978, is imposed on the transfer of the taxable estate of every resident, subject, where applicable, to the credit provided for in subsection C.*

BC. If the real and tangible personal property of a resident is located outside of the Commonwealth and is subject to a death tax imposed by another state for which a credit is allowed under § 2011 of the Internal Revenue Code of 1954, as amended or renumbered, or the successor provision of the laws of the United States relating to federal estate taxes, the amount of tax due under this section shall be credited with the lesser of:

- 1. The amount of the death tax paid the other state and credited against the federal estate tax; or
- 2. An amount computed by multiplying the federal credit by a fraction, the numerator of which is the value of that part of the gross estate over which another state or states have jurisdiction to the same extent to which Virginia would exert jurisdiction under this chapter with respect to the residents of such other state or states and the denominator of which is the value of the decedent's gross estate.

CD. Property of a resident includes:

- 1. Real property situated in the Commonwealth of Virginia;
- 2. Tangible personal property having an actual situs in the Commonwealth of Virginia; and
- 3. Intangible personal property owned by the resident regardless of where it is located.

2. That the provisions of this act are applicable to estates of persons dying on or after July 1, 2010.

INTRODUCED

HB275