

LETTER OF INTENT  
HB 848

Dear Mr. Speaker:

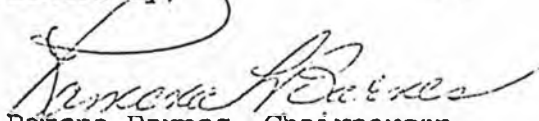
Your Judiciary Committee has under consideration HB 848, "An Act reenacting the law relating to the marital deduction in testamentary transfers; and providing for an effective date."

At the present time there is a potential gap between the Federal Economic Recovery Act of 1981 and the Alaska Statutes. Specifically, Section 403(a) of the Economic Recovery Act allows for an unlimited marital deduction for estate tax purposes. However, AS 13.11.277 provides that wills which refer to the federal marital deduction are construed to mean the maximum deduction allowed by federal law.

Section 403 (e) (3) of the Economic Recovery Act of 1981 provides that the new unlimited marital deduction does not apply to wills executed before September 12, 1981, unless the State enacts a statute referring to the new unlimited marital deduction allowable under Section 403(a) of the Act. This bill will enact such a statute as required by section 403(e) (3) (D) of the Economic Recovery Act of 1981.

Legislative Counsel and the Attorney General's office agree that the enactment of HB 848 will remedy any gap between Federal and State Statutes.

Sincerely,



Rationa Barnes, Chairperson  
House Judiciary Committee

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: HB 848

Title: An Act reenacting the law relating to the marital deduction in testamentary transfers; and providing for an effective date.

Requested by: Hayes

Date: April 1, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attached memo to Denna Cline dated April 1, 1982.

IV. DATE: April 1, 1982

PREPARED BY: Robert R. Kessel

AGENCY: Audit Division

PHONE: 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Name)

33-001 (Rev. 12/81)

M E M O R A N D U M

TO: Denna Cline  
FROM: Robert R. Kessel  
Director, Audit Division  
DATE: April 1, 1982  
RE: HB 848

The State of Alaska collects less than 1/2 million dollars a year from estate taxes. That, in itself, implies a limited fiscal impact.

Secondly, our estate taxes (Chapter 31) are based upon the amount of the credit allowed per the Federal Reserve Code. HB 848 should not impact that credit.

Thirdly, I believe the bill relates only to distribution of property and does not impact taxation.

I have briefly researched Chapter 31 Alaska Estate Taxes and Title 13 Decedents Estates, Guardianships and Trusts. Therefore, this memo is subject to that qualification.

RRK/gb

Introduced: 2/16/82  
Referred: Judiciary and  
Finance

1 IN THE HOUSE

BY HAYES

2 HOUSE BILL NO. 848

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act reenacting the law relating to the marital  
7 deduction in testamentary transfers; and providing for  
8 an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 13.11.277 is repealed and reenacted to read:

11 Sec. 13.11.277. MARITAL DEDUCTION. A provision or reference in a  
12 testamentary gift relating to the marital deduction provided for in the  
13 federal Internal Revenue Code and regulations under it is construed to  
14 contemplate the marital deduction allowable under the Internal Revenue  
15 Code and regulations on the date of the death of the decedent making the  
16 gift.

17 \* Sec. 2. This Act is retroactive to January 1, 1982.

18 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
19 070(c).

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COMMITTEE REPORT  
SENATE

5/12/82

FURTHER. None

Date: 5/12/82

Mr. President:

The Committee on FINANCE has had SB 848  
reexamining the law relating to the marital deduction in testamentary transfers

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

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\_\_\_\_\_

\_\_\_\_\_

[Signature]

CHAIRMAN

[Signature]

Introduced: 2/16/82  
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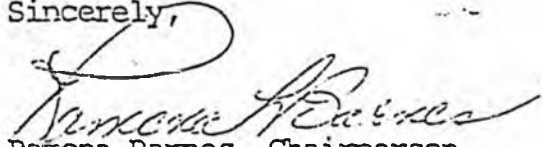
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House Judiciary Committee

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Budget and Management

Prime Sponsor (First Legislative Year)

33-001 Re 1-12-82

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