

ASSEMBLY BILL NO. 348—ASSEMBLYMEN OHRENSCHALL,
SHERWOOD, MUNFORD; AIZLEY, CARLTON, CARRILLO,
DALY, DIAZ, FLORES, HANSEN, HARDY, HICKEY, KITE,
PIERCE AND SEGERBLOM

MARCH 21, 2011

Referred to Committee on Judiciary

SUMMARY—Repeals provisions governing the apportionment of
federal transfer taxes upon the death of a person.
(BDR 12-569)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets **[omitted material]** is material to be omitted.

AN ACT relating to estates; repealing provisions governing the
apportionment of federal transfer taxes upon the death of
a person; and providing other matters properly relating
thereto.

Legislative Counsel's Digest:

- 1 Existing law requires that upon the death of a person, if the person's estate is
2 insufficient to pay all federal gift taxes or federal generation-skipping transfer taxes
3 due, the unpaid tax must be paid on a pro rata basis by those persons receiving the
4 transfers which triggered the tax in the proportion that the value of the property,
5 interest or benefit of each such person bears to the total value of the property
6 subject to the federal tax, unless the donor or decedent provided otherwise in
7 writing. (NRS 150.400) This bill repeals the provisions of law relating to the
8 apportionment of federal transfer taxes upon the death of a person.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 150.400 is hereby repealed.



TEXT OF REPEALED SECTION

150.400 Apportionment. Except as otherwise provided by the donor or decedent in writing:

1. Except as otherwise provided in subsection 3, for gifts that were made subject to the federal gift tax and in cases where the decedent's estate is insufficient to pay all federal gift taxes due at the time of the decedent's death, the unpaid federal gift tax must be borne on a pro rata basis by those receiving the transfers that triggered the tax in the proportion that the value of the property, interest or benefit of each such person bears to the total value of the property subject to the federal gift tax.

2. The federal generation-skipping transfer tax must be borne on a pro rata basis by those persons receiving the transfers that triggered the tax in the proportion that the value of the property, interest or benefit of each such person bears to the total value of the property subject to the federal generation-skipping transfer tax.

3. The application of exclusions, exemptions, deferrals or other provisions of the law available at the time of each transfer must be applied in chronological order to the transfers to which they relate.

4. To the extent issues remain unresolved after applying the principles set forth in subsections 1, 2 and 3, the provisions of NRS 150.290 to 150.380, inclusive:

(a) Must be applied to determine the allocation, apportionment and collection of federal transfer taxes other than the federal estate tax, including, without limitation, the federal gift tax and the federal generation-skipping transfer tax; and

(b) Must be applied to determine the procedures for the judicial determination of the apportionment of federal transfer taxes other than the federal estate tax, including, without limitation, the federal gift tax and the federal generation-skipping transfer tax.

