FISCAL NOTE

Bill #: **SB0473** **Title:** **Revise probate and trust codes**

Primary Sponsor: **Steve Doherty** **Status:** **2nd reading**

Sponsor signature Date Dave Lewis, Budget Director Date

Fiscal Summary

	FY2000 Difference	FY2001 Difference
Revenue:		
General Fund	**$0**	**($290,649)**

Yes	No		Yes	No	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. This act is effective upon passage and approval.
2. The only provision of the bill which affects state revenue is the extension of the inheritance tax exemption on property which is passed to stepchildren who were any age when the relationship of the stepchild to the decedent began. Under current law, for deaths occurring after July 1, 1999, the exemption is applicable only to stepchild relationships that began on or before the stepchild's 18th birthday.
3. Because under current law the exemption for property passed to stepchildren who were any age at the onset of the relationship is set to terminate for deaths occurring after July 1, 1999, and because the payment of the tax is not required for eighteen months after the death of the decedent, the effect of the exemption on state revenue will continue until December 31, 2000. Therefore, the exemption for any age stepchild is currently applicable to half of FY2001.
4. The cost of the exemption for property passed to any age stepchild is estimated to be $290,649 for half of FY2001. Under the proposed law the effect of the exemption applies to all of fiscal 2001, and, therefore, the cost for fiscal 2001 is estimated to be $581,299.

FISCAL IMPACT:

	FY2000 Difference	FY2001 Difference
Revenues:		
General Fund (01)	$0	($290,649)

LONG-RANGE IMPACTS:

Only half of the yearly revenue effect of the proposed law change is shown in FY2001. For years beyond FY2001, the effect is estimated to be approximately $600,000 per year.