

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **924**

02/16/2015 Authored by Erhardt, Rosenthal, Davids and Applebaum
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; estate; increasing and making the exclusion amount portable
1.3 between spouses; amending Minnesota Statutes 2014, sections 289A.38, by
1.4 adding a subdivision; 291.016, subdivision 1, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 289A.38, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 17. Estate tax returns; unused deceased spousal exclusion.

1.9 Notwithstanding any period of limitation in this section, after the time has expired within
1.10 which a tax may be assessed with respect to a deceased spousal unused exclusion amount,
1.11 as defined in section 291.016, subdivision 3, the commissioner may examine a return of
1.12 the deceased spouse to make determinations with respect to that amount to carry out the
1.13 purposes of section 291.016, subdivision 3.

1.14 EFFECTIVE DATE. This section is effective for estates of decedents dying after
1.15 December 31, 2015.

1.16 Sec. 2. Minnesota Statutes 2014, section 291.016, subdivision 1, is amended to read:

1.17 Subdivision 1. **General.** For purposes of the tax under this chapter, the Minnesota
1.18 taxable estate equals the federal taxable estate as provided under section 2051 of the Internal
1.19 Revenue Code, without regard to whether the estate is subject to the federal estate tax:

1.20 (1) increased by the value of any property in which the decedent had a qualifying
1.21 income interest for life and for which an election was made under section 291.03,
1.22 subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate
1.23 tax purposes;

2.1 (2) increased by the additions under subdivision 2; and
2.2 (3) decreased by: (i) the subtraction under subdivision 3; and (ii) the unused
2.3 deceased spousal exclusion under subdivision 4, if applicable.

2.4 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after
2.5 December 31, 2015.

2.6 Sec. 3. Minnesota Statutes 2014, section 291.016, is amended by adding a subdivision
2.7 to read:

2.8 **Subd. 4. Exclusion amount; deceased spousal unused exclusion amount.** (a) For
2.9 a surviving spouse, the deceased spousal unused exclusion amount equals the sum of:

2.10 (1) the subtraction allowed to the deceased spouse for the applicable year under
2.11 subdivision 3; and

2.12 (2) the deceased spousal unused exclusion amount under paragraph (b).

2.13 (b) For purposes of this subdivision, with respect to a surviving spouse of a deceased
2.14 spouse dying after June 30, 2015, the term "deceased spousal unused exclusion amount"
2.15 means the excess of the amount under paragraph (a), clause (1), over the amount of the
2.16 exclusion claimed on the Minnesota estate tax return filed for the last deceased spouse
2.17 of the surviving spouse.

2.18 (c) A deceased spousal unused exclusion amount is not allowed to the estate of a
2.19 surviving spouse under this subdivision unless the executor of the estate of the deceased
2.20 spouse files a Minnesota estate tax return on which the amount is claimed and elects on
2.21 the return that the amount may be so taken into account. The election, once made, is
2.22 irrevocable. No election may be made under this paragraph if the return is filed after the
2.23 time prescribed by law, including extensions, for filing the return.

2.24 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after
2.25 December 31, 2015.