

# FISCAL NOTE

April 8, 2019

<b>Bill No:</b>	HB 262	<b>Printer's No:</b>	233	<b>Sponsor:</b>	Metzgar (R)
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### COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- Revenue Loss	-	\$7.8 million

**SUMMARY:** HB 404 exempts property transfers to a child, 21 years of age or younger, from a natural, adoptive, or stepparents from the Inheritance Tax.

**ANALYSIS:** Currently, the transfer of property from a natural, adoptive, or stepparent to a child of any age is taxed at rate of 4.5 percent. HB 404 reduces the rate for transfers to children 21 years of age or younger to 0 percent. HB 404 shall take effect 60 days after passage.

**FISCAL IMPACT:** Reducing the inheritance tax rate from 4.5 percent to 0 percent for property transferred from a natural, adoptive, or stepparent to a child 21 years of age or younger would cause a revenue loss summarized in the table below:

Fiscal Year	Revenue Loss
2019-20	\$ 7.8 million
2020-21	\$13.1 million
2021-22	\$14.3 million
2022-23	\$14.7 million
2023-24	\$14.9 million