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Authorizing the Compromise and Arbitration of Inheritance Taxes when There Are Conflicting Claims as to the Domicile of the Decedent and Making Uniform the Law Relating Thereto

Colorado General Assembly

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CHAPTER 132

INHERITANCE AND SUCCESSION TAX
UNIFORM ACT ON INTERSTATE COMPROMISE AND
ARBITRATION OF INHERITANCE TAXES

(Senate Bill No. 135. By Senator Dunklee)

A N A C T

AUTHORIZING THE COMPROMISE AND ARBITRATION OF
INHERITANCE TAXES WHEN THERE ARE CONFLICT-
ING CLAIMS AS TO THE DOMICILE OF THE DECEDENT
AND MAKING UNIFORM THE LAW RELATING
THERE TO.

Be It Enacted by the General Assembly of the State of Colorado:

Section 1. *Short Title.* This Act shall be known and may be cited as the "Uniform Act on Interstate Compromise and Arbitration of Inheritance Taxes." Act, How Cited

Section 2. *Definition of State.* As used in this Act the word "State" shall mean any state, territory or possession of the United States and the District of Columbia. State Defined

Section 3. *Interpretation.* This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it. Interpretation of Act

Section 4. *Compromise Agreement—Filing—Interest or Penalty For Nonpayment of Taxes.* When the Inheritance Tax Commissioner claims that a decedent was domiciled in this state at the time of his death and the taxing authorities of another state or states make a like claim on behalf of their state or states, the Inheritance Tax Commissioner may, with the approval of the Attorney General, make a written agreement of compromise with the other taxing authorities and the executor or administrator of such decedent that a certain sum shall be accepted in full satisfaction of any and all inheritance taxes imposed by this state, including any interest or penalties to the date of Compromise Agreement With Other Taxing Authorities

Interest or
Penalties For
Nonpayment
of Taxes

Copy of
Agreement
Filed With
Court

signing the agreement. The agreement shall also fix the amount to be accepted by the other states in full satisfaction of inheritance taxes. The executor or administrator of such decedent is hereby authorized to make such agreement. Such agreement shall finally and conclusively fix and determine the amount of tax payable to this state without regard to any other provision of the laws of this state. Unless the tax so agreed upon is paid within sixty (60) days after the signing of such agreement, interest or penalties shall thereafter accrue upon the amount fixed in the agreement, but the time between the decedent's death and the signing of such agreement shall not be included in computing the interest or penalties. In the event the aggregate amount payable under such agreement to the states involved is less than the maximum credit allowable to the estate against the United States estate tax imposed with respect thereto, the personal representatives forthwith shall also pay to the Department of Revenue so much of the difference between such aggregate amount and the amount of such credit as the amount payable to the department under the agreement bears to such aggregate amount. A copy of any such agreement shall be filed in the court having jurisdiction of the administration of the estate and any existing appraisement shall be deemed modified according to said agreement. In the event no appraisement has been made and filed prior to said agreement, the Inheritance Tax Commissioner shall direct an appraisement to be made and filed in the court having jurisdiction of the administration of the estate in accordance with said agreement.

When Taxing
Authorities
Unable to
Agree—
Controversy
Submitted to
Board of
Arbitration

Section 5. *Arbitration Agreement.* When the Inheritance Tax Commissioner claims that a decedent was domiciled in this state at the time of his death and the taxing authorities of another state or states make a like claim on behalf of their state or states, the Inheritance Tax Commissioner may, with the approval of the Attorney General, make a written agreement with the other taxing authorities and with the executor or administrator of such decedent to submit the controversy to the decision of a board consisting of one or any uneven number of arbitrators. The executor or administrator of such decedent is hereby authorized to make the agreement. The parties to the agreement shall select the arbitrator or arbitrators.

Board Hold
Hearings

Section 6. *Hearings.* The board shall hold hearings at such times and places as it may determine upon reasonable notice to the parties to the agreement, all of whom shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses.

Section 7. *Powers of Board.* The board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses, and the production of books, papers and documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, any judge of a court of record of this state, upon application by the board, may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt.

Powers of
Board

Section 8. *Determination of Domicile.* The board shall, by majority vote, determine the domicile of the decedent at the time of his death. This determination shall be final for purposes of imposing and collecting inheritance taxes but for no other purpose.

Board
Determine
Domicile of
Decedent

Section 9. *Majority Vote.* Except as provided in section 7 in respect of the issuance of subpoenas, all questions arising in the course of the proceedings shall be determined by a majority vote of the board.

Majority Vote
Control

Section 10. *Filing of Determination of Domicile and Other Documents.* The Inheritance Tax Commissioner, the board, or the executor or administrator of such decedent shall file the determination of the board as to domicile, the record of the board's proceedings, and the agreement or a duplicate made pursuant to section 5 of this Act, with the authority having jurisdiction to assess or determine the inheritance taxes in the state determined by the board to be the domicile of the decedent, and shall file copies of such documents with the authorities that would have been empowered to assess or determine the inheritance taxes in each of the other states involved.

Filing of
Determination
of Domicile
and Other
Documents

Section 11. *Interest or Penalties For Nonpayment of Taxes.* In any case where it is determined by the board that the decedent died domiciled in this state, interest or penalties, if otherwise imposed by law for nonpayment of inheritance taxes between the date of the agreement and of filing of the determination of the board as to domicile, shall not exceed ten per centum (10%) per annum.

Interest or
Penalties For
Nonpayment
of Taxes

Section 12. *Compromise by Parties to Arbitration Agreement.* Nothing contained herein shall prevent at any time a written compromise, if otherwise lawful, by all parties to the agreement made pursuant to section 4 of this Act, fixing the amounts to be accepted by this and any other state involved in full satisfaction of inheritance taxes.

Compromise
by Parties to
Arbitration
Agreement

Section 13. *Compensation and Expenses.* The compensation and expenses of the members of the board and its employees may be agreed upon among such members and

Compensation
and Expenses
of Board and
Employees

the executor or administrator and, if they cannot agree, shall be fixed by any court having jurisdiction over probate matters of the state determined by the board to be the domicile of the decedent. The amounts so agreed upon or fixed shall be deemed an administration expense and shall be payable by the executor or administrator.

Reciprocal
Application
of Act

Section 14. *Reciprocal Application.* The provisions of this Act relative to arbitration shall apply only to cases in which and so far as each of the states involved has a law identical or substantially similar to this Act.

Estates
Affected

Section 15. *Estates Affected.* The provisions of this Act shall apply to estates of decedents dying after its enactment.

Safety Clause

Section 16. The General Assembly hereby finds, determines and declares that this Act is necessary for the immediate preservation of the public peace, health and safety.

Approved: March 19, 1953.