

2010 -- S 2778

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LC00415  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

RELATING TO TAXATION

Introduced By: Senators Sosnowski, and Felag

Date Introduced: April 13, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-23-5 of the General Laws in Chapter 44-23 entitled "Estate and  
2   Transfer Taxes - Enforcement and Collection" is hereby amended to read as follows:  
3           **44-23-5. Appraisal of estate.** – (a) If any statement filed in accordance with the  
4   provisions of this chapter is considered to be an erroneous or incomplete statement of the  
5   property, real, tangible personal, intangible personal, or of any part of the property, of the  
6   decedent, the tax administrator shall give notice to the executor, administrator, heir-at-law,  
7   beneficiary, or trustee filing the statement, to appear before the tax administrator for the purpose  
8   of examination of and concerning the statement, and concerning all matters appertaining to the  
9   estate and the value of the estate of the decedent; and if the executor, administrator, heir-at-law,  
10   beneficiary, or trustee fails to appear after due notice, or if after appearance and examination of  
11   the executor, administrator, heir-at-law, beneficiary, or trustee the tax administrator still considers  
12   the statement to be an erroneous or incomplete statement, or if the executor, administrator, heir-  
13   at-law, beneficiary, or trustee refuses or neglects to answer the questions propounded in reference  
14   to the statement, the tax administrator may appraise the estate. The tax administrator shall give  
15   notice by mail to the executor, administrator, heir-at-law, beneficiary, or trustee and to all persons  
16   known to have a claim or interest in the estate or property to be appraised, of the time and place  
17   of the appraisal, and the tax administrator or his or her authorized agent shall at that time and  
18   place appraise the estate or property at its full and fair cash value as prescribed in this section; and  
19   for that purpose the tax administrator is authorized to issue subpoenas and to compel the

1 attendance of witnesses and to take the evidence of the witnesses under oath if necessary,  
2 concerning the estate or property and the value of the estate, and the witnesses shall receive the  
3 same fees as those now paid to witnesses subpoenaed to attend the superior court. From the  
4 appraisal and other proof relating to the estate or property, the tax administrator determines the  
5 full and fair cash value of the estate or property upon which all taxes imposed by chapter 22 of  
6 this title are computed and the amount of taxes to which it is liable. If no appraisal is made as  
7 provided in this section, the tax administrator may determine the value of the property upon  
8 which all the taxes are computed and the amount of taxes to which it is liable.

9 (b) Property held by small businesses, as defined by the Small Business Administration,  
10 at least five (5) years prior to the exchange, shall be appraised at their use value rather than its full  
11 and fair cash value. Said properties must be held in the small business for at least five (5) years or  
12 may be assessed at the full and fair cash value of the estate at the time of the exchange.

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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- 1           This act would provide for established transfer tax purposes that property held by small
- 2 businesses, at least five (5) years prior to the exchange shall be appraised at its use value;
- 3 provided said property remains in the small business for at least five (5) years.
- 4           This act would take effect upon passage.

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