

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

INHERITANCE TAX REGULATIONS

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

RE: INHERITANCE TAX REGULATIONS RESPECTING ESTATES
OF RESIDENT DECEDENTS.

Pursuant to the authority granted by R. S. 54:50-1,
the attached Regulations, numbered IT 1 to IT 23 inclusive,
respecting estates of resident decedents are hereby made and
promulgated.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 1 (RESIDENT DECEDENT)

RETURN

The transfer of the estate of a resident decedent consisting of real property and tangible personal property located in New Jersey and intangible personal property, wherever located, pursuant to the provisions of the last will and testament, the statutes of descent and distribution, gifts causa mortis, gifts inter vivos and joint tenancies, necessitates a return disclosing the status of the decedent's estate as of the date of death and full particulars relating to gifts during lifetime. Such return must be completed by the executor, administrator, trustee or other proper representative on the form prescribed by the Bureau. If the issuance of letters testamentary or letters of administration is not necessary, the return may be completed by a person, preferably a beneficiary or a relative, having full knowledge of the deceased person's affairs. In case of testacy a copy of the will, not necessarily certified, must accompany the return. If the will is not to be probated, the original and a copy thereof must accompany the return. Upon comparison, the original will be returned. The return should be submitted to the District Supervisor operating in the county wherein the decedent resided as of the date of death. The form of return may be obtained from the District Supervisor or the Bureau.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 2

(RESIDENT DECEDENT)

RETURN

Assets and liabilities, not disclosed in the original return, should be disclosed by supplemental affidavit of the executor, administrator or other representative, certifying in detail a description of the property or the liability and the reasons for failure to disclose same in original return. (No form provided)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 3 (RESIDENT DECEDENT)

INSPECTION AND RELEASE OF SAFE DEPOSIT BOX

A safe deposit box rented in the name of the decedent, individually or as a joint renter, is automatically sealed by the death of the decedent and the provisions of the law. However, the box may be opened in the presence of an employee of the bank and a proper representative of the estate for the purpose of ascertaining whether the contents include deed for cemetery lot, insurance policies made payable to designated beneficiaries or a last will and testament of the decedent. If the contents include such items, they may be delivered to the representative of the decedent's estate in which event the receipt signed by the representative and counter-signed by the employee of the bank should be placed in the box, which should then be resealed.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 4 (RESIDENT DECEDENT)

INSPECTION AND RELEASE OF SAFE DEPOSIT BOX

The inventory of the contents of the safe deposit box must be made by the District Supervisor or other representative of the Bureau operating in the district where the box is located in the presence of a proper representative of the decedent's estate. Following the completion of the inventory, waiver permitting release of the box should be delivered by the District Supervisor. If, however, the contents include currency or negotiable securities not necessitating waiver, the box may be resealed pending the completion of the inheritance tax proceeding or the establishment of security for the payment of the transfer inheritance tax liability.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 5 (RESIDENT DECEDENT)

INSPECTION AND RELEASE OF SAFE DEPOSIT BOX

A safe deposit box rented in the name of decedent, with right of access by a person named as deputy, may be released upon the death of the deputy without waiver or inspection, provided the contract of rental includes a provision that said box shall not be used as a receptacle for the deputy's property.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU

REGULATION IT 6 (RESIDENT DECEDENT)

INSPECTION AND RELEASE OF SAFE DEPOSIT BOX

The contents of a safe deposit box rented in the name of a partnership is not subject to inspection upon the death of a partner and waiver is not necessary.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 7 (RESIDENT DECEDENT)

INSPECTION AND RELEASE OF SAFE DEPOSIT BOX

The contents of a safe deposit box rented in the name of a corporation is not subject to inspection upon the death of an officer or employee of the corporation having right of access thereto and waiver is not necessary.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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TRENTON, NEW JERSEY

REGULATION IT 8 (RESIDENT DECEDENT)

WAIVERS

Waivers consenting to the transfer of real property located in New Jersey, stock of corporations organized under the laws of New Jersey, shares of building and loan associations organized under the laws of New Jersey, stock of national banks operating in New Jersey and deposits with banking institutions operating in New Jersey are necessary. They are usually withheld pending payment of the tax or the establishment of security for its payment. However, fifty per cent., of funds on deposit as of the date of death may be immediately released through blanket waivers filed with the various building and loan associations and banking institutions.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 9 (RESIDENT DECEDENT)

WAIVERS

Circumstances surrounding the administration of some estates necessitate the securing of waivers prior to the filing of the formal returns. Where waivers are thus required, the request for same should be made by affidavit of the executor, administrator or other proper representative (No form provided by Bureau) establishing the name of the decedent, date of death and legal domicile as of the date of death and why it is impracticable to immediately file a detailed return. That affidavit should also include information establishing, at least approximately, the gross and net values of the decedent's estate, a concise description of the real property located in New Jersey, if any, with its appraised value, the number and kind of shares of stock of corporations organized under the laws of New Jersey and national banking institutions operating in New Jersey, the names and relationship of those persons to whom the decedent's estate passes and any other facts that may be deemed pertinent. If transfers inter vivos or causa mortis are involved, full details should be stated.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 9 a. (RESIDENT DECEDENT)

WAIVERS

Bonds and/or stock of a New Jersey corporation or a national bank located in New Jersey registered or issued in the name of one fiduciary as executor, administrator, trustee or guardian may, upon the death of such fiduciary, be transferred without a New Jersey transfer inheritance tax waiver to, or on the order of, the legally appointed substitute for the deceased fiduciary.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 9 b. (RESIDENT DECEDENT)

WAIVERS

Bonds and/or stock of a New Jersey corporation or a national bank located in New Jersey registered or issued in the names of two or more fiduciaries as executors, administrators, trustees or guardians may, upon the death of one or more of such fiduciaries, be transferred without a New Jersey transfer inheritance tax waiver to, or on the order of, the surviving fiduciary or fiduciaries.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 9 c. (RESIDENT DECEDENT)

WAIVERS

Waiver provisions do not apply to compensation for services rendered, (salaries, etc.), accounts receivable or to payments under pension, profit sharing and/or bonus plans.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 10. (RESIDENT DECEDENT)

WAIVERS

Manual delivery to the executor, administrator, trustee or other proper representative of the estate, of securities pledged to secure payment of a bank loan may be made without waiver. However, if such securities include stock of corporations organized under the laws of New Jersey or stock of national banking institutions operating in New Jersey, waivers permitting the transfer of such securities on the books of the corporations are necessary.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 11. (RESIDENT DECEDENT)

ASSESSMENT

Levied in accordance with the provisions of the Transfer Inheritance Tax Laws as they apply to the transfers of property determined by the Bureau to be subject to tax. Upon completion of the assessment, bill showing the aggregate amount of tax, the names of the taxable beneficiaries and the tax assessed against each will be forwarded to the executor, administrator or other representative.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 12. (RESIDENT DECEDENT)

ASSESSMENT

Where the disposition of the decedent's estate or any part thereof depends upon the happening of contingencies, making impossible a definite determination of the transfer inheritance tax liability, the Bureau suggests a compromise based upon the immediate payment of a stated amount. Acceptance of the suggested compromise by payment of the stated amount permits final disposition of that problem. If settlement through compromise fails, a bond in double the highest amount of tax that may in any event be assessable, executed by the executor, administrator, trustee or other proper representative, as principal, and a surety company license to operate in New Jersey as surety, must be filed with the Bureau.

(Form of bond provided)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 13. (RESIDENT DECEDENT)

PAYMENT

Payment, whether on account or in full settlement, must be by certified check made payable to Treasurer, State of New Jersey.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 14. (RESIDENT DECEDENT)

PAYMENT

Payments are applied first against accrued interest, if any. The excess, if any, is credited against the principal amount due.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 15. (RESIDENT DECEDENT)

REFUNDS

If payment on account is found to be in excess of the tax finally assessed, the excess will be refunded.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 16. (RESIDENT DECEDENT)

REFUNDS

Petitions for refund of tax, or any part thereof, claimed to have been erroneously paid, should be by affidavit of the executor, administrator or other proper representative, certifying in detail all facts upon which the claim is based.
(No form provided)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 17. (RESIDENT DECEDENT)

REFUNDS

Application for refund of taxes overpaid must be filed within three years from the date of payment.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 18. (RESIDENT DECEDENT)

RECORDS

The records of the Bureau are confidential but may be inspected or copied by the executor, administrator or a beneficiary or their duly authorized representative.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 19. (RESIDENT DECEDENT)

CORRESPONDENCE

All communications addressed to the Bureau should state the full name of decedent, date of death and name of the county wherein decedent resided as of the date of death. If communication relates to more than one estate, additional copy or copies should accompany the original so that same may be filed as part of the record in each estate.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 20. (RESIDENT DECEDENT)

HYPOTHETICAL QUESTIONS

Whether the disposition of property provided under the terms of a last will and testament, a deed of trust or other instrument may or may not be subject to a tax will not be answered prior to death.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 21. (RESIDENT DECEDENT)

VALUATION

Listed securities disclosed as assets in the transfer inheritance tax proceeding will be appraised at the intermediate price between the low price and the high price prevailing on the date of death of the decedent.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 22. (RESIDENT DECEDENT)

SUPPLEMENTING REGULATION #21 RESPECTING
VALUATION OF SECURITIES.

Pursuant to the authority granted by R. S. 54:50-1, the following regulation, supplementing Regulation #21 respecting valuation of securities of decedents for inheritance tax purposes, is hereby made and promulgated:-

Valuations reported by the taxpayer may be accepted where they approximate the intermediate prices of securities and where changing same to the exact intermediate prices makes only a nominal difference in tax.

This regulation shall become effective in estates of decedents dying on or after March 1, 1951.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 23 (RESIDENT DECEDENT)

EQUITABLE CONVERSION

The Director, Division of Taxation in the Department of the Treasury, pursuant to authority conferred upon him by R. S. 54:50-1, promulgates the following regulation governing the taxation of the transfer of property of deceased persons under the provisions of Chapters 33 to 36, inclusive, of Title 54 of the Revised Statutes of New Jersey (R. S. 54:33-1, et seq.):

For the purpose of the Transfer Inheritance Tax Laws of this State, the doctrine of equitable conversion of real property into personal property when under contract of sale at the time of the death of the decedent shall not be deemed applicable.

Thus:- (1) The interest of a deceased nonresident vendor of real property located in New Jersey, which was under contract of sale at the date of such nonresident decedent's death, shall be deemed to be an interest in real property, the transfer of which shall be taxable under the inheritance tax laws of this State. If such nonresident decedent shall die intestate his interest in the New Jersey real property shall, for the purposes of the inheritance tax laws of this State, be deemed to have descended under the intestate laws of this State to his heirs at law.

(2) The interest of a deceased resident vendor of real property located in another state, which was under contract of sale at the date of his death, shall be deemed to be an interest in real property, the transfer of which is not subject to tax under the inheritance tax laws of this State.

(3) The interest of a deceased nonresident vendee, under a contract in effect at the date of death to purchase real property located in New Jersey, shall be deemed personal property and not subject to tax under the inheritance tax laws of this State.

(4) The interest of a deceased resident vendee, under a contract in effect at the date of death to purchase real property located in another State, shall be deemed personal property and taxable to the extent of the sum paid on account of the contract price at the time of death. Pursuant to the provisions of R. S. 54:34-5, as amended (NJSA 54:34-5), the balance due under the contract shall not be allowed as a deduction in determining the clear market value of decedent's estate subject to tax under the inheritance tax laws of this State.

This regulation is intended to conform the treatment of real property under contract of sale or purchase at the time of decedent's death with that of adjoining states (Cf. Estate of Paul, 303 Pa. 330, and In re DeSteurs' Estate, 99 N. Y. Supp. (2d) 739), and to revoke previous regulations in conflict herewith.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

RESIDENT DECEDENT

I N D E X

REGULATION IT	1	-	RETURN
	2	-	"
	3	-	INSPECTION AND RELEASE OF SAFE DEPOSIT BOX
	4	-	" " " " " "
	5	-	" " " " " "
	6	-	" " " " " "
	7	-	" " " " " "
	8	-	WAIVERS
	9	-	"
	9a	-	"
	9b	-	"
	9c	-	"
	10	-	"
	11	-	ASSESSMENT
	12	-	"
	13	-	PAYMENT
	14	-	"
	15	-	REFUNDS
	16	-	"
	17	-	"
	18	-	RECORDS
	19	-	CORRESPONDENCE
	20	-	HYPOTHETICAL QUESTIONS
	21	-	VALUATION
	22	-	VALUATION, SUPPLEMENTING REGULATION #21
	23	-	EQUITABLE CONVERSION

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

RE: INHERITANCE TAX REGULATIONS RESPECTING
ESTATES OF NONRESIDENT DECEDENTS.

Pursuant to the authority granted by R. S. 54:50-1,
the attached Regulations, numbered IT 1 to IT 17
inclusive, respecting estates of nonresident decedents,
are hereby made and promulgated.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT I. (NONRESIDENT DECEDENT)

RETURN

Transfer of real property and/or tangible personal property located in New Jersey belonging to a non-resident decedent pursuant to the provisions of the last will and testament, the statutes of descent and distribution, gifts causa mortis, gifts inter vivos, and joint tenancies, necessitates a return disclosing the status of the decedent's estate as of the date of death and full particulars relating to gifts during lifetime. Such return must be completed by the executor, administrator, trustee or other proper representative on the form prescribed by the Bureau. If the issuance of letters testamentary or letters of administration is not necessary, the return may be completed by a person, preferably a beneficiary or a relative, having full knowledge of the deceased person's affairs. In case of testacy a certified copy of the decedent's last will and testament must accompany the return. The return should be filed directly with the Bureau.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 2. (NONRESIDENT DECEDENT)

RETURN

Transfer of intangible personal property of a non-resident decedent (corporate securities, bank deposits, etc.) is not taxable and there is no necessity for waivers. However, transfer agents of New Jersey corporations and New Jersey banking institutions will undoubtedly call for proof establishing the domicile of the decedent as of the date of death to have been in a State other than New Jersey.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 3. (NONRESIDENT DECEDENT)

RETURN

Assets and liabilities not disclosed in the original return should be disclosed by supplemental affidavit of the executor, administrator or other representative, certifying in detail a description of the property or the liability and the reasons for failure to disclose same in original return. (No form provided)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 4. (NONRESIDENT DECEDENT)

SAFE DEPOSIT BOX

A box rented in the name of a non-resident decedent may be released without inspection or waiver. However, the bank officials will undoubtedly call for proof establishing the domicile of the decedent as of the date of death to have been in a State other than New Jersey.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 5. (NONRESIDENT DECEDENT)

WAIVERS

Waivers are withheld pending payment of the tax or the establishment of security for its payment.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 6. (NONRESIDENT DECEDENT)

ASSESSMENT

Upon completion of the assessment, bill covering the tax will be forwarded to the executor, administrator or other representative. Following payment, official receipt and necessary waivers will be issued.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 7. (NONRESIDENT DECEDENT)

PAYMENT

Payment, whether on account or in full settlement, must be by certified check make payable to Treasurer, State of New Jersey.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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REGULATION IT 8. (NONRESIDENT DECEDENT)

PAYMENT

Payments are applied first against accrued interest, if any. The excess, if any, is credited against the principal amount due.

STATE OF NEW JERSEY
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TRENTON, NEW JERSEY

REGULATION IT 9. (NONRESIDENT DECEDENT)

REFUNDS

If payment on account is found to be in excess of the tax finally assessed, the excess will be refunded.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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TRENTON, NEW JERSEY

REGULATION IT 10. (NONRESIDENT DECEDENT)

REFUNDS

Petitions for refund of tax, or any part thereof, claimed to have been erroneously paid, should be by affidavit of the executor, administrator or other proper representative, certifying in detail all facts upon which the claim is based.
(No form provided)

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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TRENTON, NEW JERSEY

REGULATION IT 11. (NONRESIDENT DECEDENT)

REFUNDS

Application for refund of taxes overpaid must be filed within three years from the date of payment.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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TRENTON, NEW JERSEY

REGULATION IT 12. (NONRESIDENT DECEDENT)

RECORDS

The records of the Bureau are confidential but may be inspected or copied by the executor, administrator or a beneficiary or their duly authorized representative.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
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REGULATION IT 13. (NONRESIDENT DECEDENT)

CORRESPONDENCE

All communications addressed to the Bureau should state the full name of decedent, date of death and name of the county wherein decedent resided as of the date of death. If communication relates to more than one estate, additional copy or copies should accompany the original so that same may be filed as part of the record in each estate.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 14. (NONRESIDENT DECEDENT)

HYPOTHETICAL QUESTIONS

Whether the disposition of property provided under the terms of a last will and testament, a deed of trust or other instrument may or may not be subject to a tax will not be answered prior to death.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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TRENTON, NEW JERSEY

REGULATION IT 15. (NONRESIDENT DECEDENT)

VALUATION

Listed securities disclosed as assets in the transfer inheritance tax proceeding will be appraised at the intermediate price between the low price and the high price prevailing on the date of death of the decedent.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 16. (NONRESIDENT DECEDENT)

SUPPLEMENTING REGULATION #15 RESPECTING
VALUATION OF SECURITIES.

Pursuant to the authority granted by R.S. 54:50-1, the following regulation, supplementing Regulation #15 respecting valuation of securities of decedents for inheritance tax purposes, is hereby made and promulgated:-

Valuations reported by the taxpayer may be accepted where they approximate the intermediate prices of securities and where changing same to the exact intermediate prices makes only a nominal difference in tax.

This regulation shall become effective in estates of decedents dying on or after March 1, 1951.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

REGULATION IT 17. (NONRESIDENT DECEDENT)

EQUITABLE CONVERSION

The Director, Division of Taxation in the Department of the Treasury, pursuant to authority conferred upon him by R.S. 54:50-1, promulgates the following regulation governing the taxation of the transfer of property of deceased persons under the provisions of Chapters 33 to 36, inclusive, of Title 54 of the Revised Statutes of New Jersey (R.S. 54:33-1, et seq.):

For the purpose of the Transfer Inheritance Tax Laws of this State, the doctrine of equitable conversion of real property into personal property when under contract of sale at the time of the death of the decedent shall not be deemed applicable.

Thus:- (1) The interest of a deceased nonresident vendor of real property located in New Jersey, which was under contract of sale at the date of such nonresident decedent's death, shall be deemed to be an interest in real property, the transfer of which shall be taxable under the inheritance tax laws of this State. If such nonresident decedent shall die intestate his interest in the New Jersey real property shall, for the purposes of the inheritance tax laws of this State, be deemed to have descended under the intestate laws of this State to his heirs at law.

(2) The interest of a deceased resident vendor of real property located in another state, which was under contract of sale at the date of his death, shall be deemed to be an interest in real property, the transfer of which is not subject to tax under the inheritance tax laws of this State.

(3) The interest of a deceased nonresident vendee, under a contract in effect at the date of death to purchase real property located in New Jersey, shall be deemed personal property and not subject to tax under the inheritance tax laws of this State.

(4) The interest of a deceased resident vendee, under a contract in effect at the date of death to purchase real property located in another State, shall be deemed personal property and taxable to the extent of the sum paid on account of the contract price at the time of death. Pursuant to the provisions of R.S. 54:34-5, as amended (NJSA 54:34-5), the balance due under the contract shall not be allowed as a deduction in determining the clear market value of decedent's estate subject to tax under the inheritance tax laws of this State.

This regulation is intended to conform the treatment of real property under contract of sale or purchase at the time of decedent's death with that of adjoining states (Cf. Estate of Paul, 303 Pa. 330, and In re DeSteurs' Estate, 99 N.Y. Supp. (2d) 739), and to revoke previous regulations in conflict herewith.

Promulgated and filed with the Secretary of State this Sixth day of January 1953.

Director, Division of Taxation in
the Department of the Treasury

BY (signed) Aaron K. Neeld
Deputy Director of Taxation

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

NONRESIDENT DECEDENT

I N D E X

REGULATION IT	1 - RETURN
	2 - "
	3 - "
	4 - SAFE DEPOSIT BOX
	5 - WAIVERS
	6 - ASSESSMENT
	7 - PAYMENT
	8 - "
	9 - REFUNDS
	10 - "
	11 - "
	12 - RECORDS
	13 - CORRESPONDENCE
	14 - HYPOTHETICAL QUESTIONS
	15 - VALUATION
	16 - SUPPLEMENTING REGULATION #15.
	17 - EQUITABLE CONVERSION

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY.

NEW JERSEY ESTATE TAX LAW

Revised Statutes 54:38, provides for an estate tax in every estate where the total of inheritance, succession, transfer, legacy and death taxes paid to New Jersey and all other states, District of Columbia, territories and possessions is insufficient to fully absorb the 80 per cent credit allowed under the Federal Revenue Act of 1926 for taxes so paid.

The amount of tax shall be the difference between the aggregate of taxes paid this and other states, District of Columbia, territories and possessions and the 80 per cent credit allowed under the Federal Estate Tax Act.

No estate tax is due in any case where the aggregate of taxes paid this and any other states, District of Columbia, territories and possessions exceeds the amount of the 80 per cent credit.

The New Jersey Estate Tax Act does not in any way interfere with the operation of the inheritance tax statute and, of course, the determination of the inheritance tax chargeable need not be suspended until the estate tax, if any, is assessed.

The New Jersey Estate Tax Act requires the filing with the State Tax Commissioner of a copy of the federal estate tax return (Form 706). For the convenience of estates this copy will be returned after examination, if requested.

The amount of the estate tax due New Jersey, if any, cannot be determined in any case until the federal government has definitely determined the amount of federal estate tax chargeable on final assessment. Notice to the estate of final assessment by the Internal Revenue Department usually takes the form of an over-payment, 30-day, or deficiency letter. The inheritance tax bureau requires a photostatic copy of whichever of these letters is received by the estate; also

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

NEW JERSEY ESTATE TAX LAW

Photostatic copies of receipts for taxes paid to any other states on account of real property or tangible personal property located therein. Form of return for New Jersey estate tax purposes may be obtained from the Transfer Inheritance Tax Bureau at Trenton 7, N. J.

No return for New Jersey estate tax purposes is required in any estate which is not subject to a federal estate tax under the Revenue Act of 1926. In other words no estate tax proceedings are necessary here unless the estate has become entitled to an 80 per cent credit under the 1926 Revenue Act.

The Director, Division of Taxation, is precluded by statute from issuing a certificate showing payment of taxes to this State for use under Treasury Regulations, until the estate tax due under R. S. 54:58 has been paid or it is established to his satisfaction that no such tax is chargeable.

Since the Director, Division of Taxation, is precluded from issuing certificate for payment of taxes to this State until the estate tax due this State has been paid or it has been paid or it has been established that there is no such tax due, and since this cannot be done until the Internal Revenue Department has finally fixed the amount of federal estate tax chargeable it follows that certificate cannot be issued in time for filing simultaneously with the federal estate tax return (Form 706). This fact, however, will not in any way jeopardize the estate's claim for an 80 per cent credit in the federal estate tax proceeding for taxes paid this and other states. Proof of such payments can be submitted to the Internal Revenue Department after receipt by the estate of notice of final assessment, and allowance will be made at that time for credits properly established. This bureau will expedite estate tax assessments and an assessment in the average case can be levied within two or three days of receipt of the necessary data.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
TRANSFER INHERITANCE TAX BUREAU
TRENTON, NEW JERSEY

NEW JERSEY ESTATE TAX LAW

It is specifically declared by statute that this tax is not a lien on any of the property, real or personal, of the estate and for that reason waivers or consents to transfer are unnecessary under said act. It should be understood, however, that nothing contained therein in any way impairs the lien of the State for inheritance taxes assessed pursuant to Revised Statutes, 54:33 to 54:37, as amended to date, or pursuant to any prior statute, or dispenses with the necessity for the usual waivers or consents to transfer under said laws.

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