

**KENTUCKY
INHERITANCE TAX RETURN**

FOR DEPARTMENT USE ONLY			
_____ / <u>4</u> / <u>6</u> / _____ Account Number Tax Mo Year			

Requirements for use of this return—This return is to be filed when (1) the date of death is on or after January 1, 2005, (2) *any assets of the estate pass to taxable beneficiaries or taxable organizations*, (see page 4 of general information) and (3) Forms 92A201 and 92A205 do not apply.

Return Status <i>(check one):</i> <input type="checkbox"/> Original Return <input type="checkbox"/> Amended Return—Refund <input type="checkbox"/> Amended Return—Tax Due

Decedent's Name Last First Middle Initial	Occupation <i>(If decedent was retired at death, state occupation prior to retirement.)</i>	Age at Death	Date of Death
Social Security Number		Cause of Death	HR Code Number
Residence (Domicile) at Time of Death			
Number and Street	City	State	ZIP Code
Name and Address of Executor/Administrator/Beneficiary		Name and Address of Preparer	
<input type="checkbox"/> Exec <input type="checkbox"/> Admr <input type="checkbox"/> _____	<input type="checkbox"/> Atty <input type="checkbox"/> CPA <input type="checkbox"/> _____		
Did the decedent have a will? <input type="checkbox"/> No <input type="checkbox"/> Yes <i>If Yes, attach a copy of the will.</i>			

Filing status of Federal Estate and Gift Tax Return for this estate *(check one)*:
 Not Required **Required (a copy must be attached)**

Gross Estate

1. Individually owned assets.....	\$	
2. Jointly owned assets.....	\$	
3. Qualified terminable interest property and/or powers of appointment.....	\$	
4. Previously taxed property.....	\$	
5. Gifts and transfers.....	\$	
Total Gross Estate	\$	

Deductions

6. Funeral expenses.....	\$	
7. Administration expenses.....	\$	
8. Debts of decedent.....	\$	
9. Federal estate tax— <input type="checkbox"/> paid or <input type="checkbox"/> estimated	\$	
Total Deductions	\$	
Net Estate (Total Gross Estate less Total Deductions)	\$	
Total Tax Due from Tax Computation Form 92A200	\$	

Interest and Penalty

10. Interest for late payment (see general information).....	\$	
11. Late filing penalty (see general information).....	\$	
12. Late payment penalty (see general information).....	\$	
13. Total Due (tax plus interest and penalties, if applicable).....	\$	
14. Total previously paid	\$	
15. Balance due/Refund	\$	

Attach check payable to "Kentucky State Treasurer" to this return and mail to Kentucky Department of Revenue, Frankfort, KY 40620



Under criminal penalties, I declare that this return, including accompanying documents, has been examined by me, and is, to the best of my knowledge and belief, true, correct and complete.

Signature of Executor/Administrator/Beneficiary	Date	Telephone Number	E-mail Address
Signature of Preparer	Date	Telephone Number	E-mail Address

Individually Owned Assets

List in this schedule all items individually owned by the decedent including life insurance payable to the estate. (Additional instructions are on reverse side.)

Item Number	Description of Property/Name of Corporation or Obligor/ Name of Bank or Debtor	Accrued Rents/ Interest/Dividends	Number of Shares	Fair Cash Value on Date of Death
1.				

Total (including continuation page(s)) (enter on page 1, line 1)>

If additional space is needed, duplicate this page and attach as a continuation page(s).

INSTRUCTIONS

INDIVIDUALLY OWNED ASSETS

All real property individually owned must be listed in this schedule. *For reporting agricultural or horticultural land, see General Information—Valuation of Property—Fair Cash and Agricultural.*

Stocks and bonds individually owned are includable in this schedule. In case of inactive stock such as closely held corporations, explain the method used in computing the value at the date of death. A balance sheet, at a date nearest the decedent's death, together with a statement of net earnings and dividends paid for the five-year period immediately preceding the date of death, must be supplied in support of these valuations.

Dividends declared and of record in the decedent's name but not paid prior to death must be included in this schedule.

United States bonds individually owned as well as those payable upon death to another should be included in this schedule. Indicate series, maturity value and date of purchase of all United States bonds.

In some instances, the estate will include stocks and bonds listed on a stock exchange that did not make sales on the date of the decedent's death. When this occurs, their value must be determined on the date nearest to decedent's death that the stock exchange made sales. *For reporting stock of a corporation owning qualified real estate passing to a qualified person(s), see General Information—Valuation of Property—Fair Cash and Agricultural.*

Mortgages, notes and cash individually owned must be listed in this schedule. List accrued interest to date of death. The description of mortgages and notes must include interest rate, the date the last payment of interest was made preceding the date of the decedent's death, and the due date of the mortgages or notes. If an account is held out of state, show name and address of financial institution on the tax return.

List life insurance payable to the insured or to the estate. Life insurance payable to a designated beneficiary, including a testamentary or inter vivos trustee, is tax-free.

List in this schedule other individually owned items of the gross estate, such as debts due decedent; business or partnership (attach balance sheet showing capital accounts); claims, exclusive of those claimed under KRS 411.130 (wrongful death); rights; royalties; leaseholds; judgments; shares in trust funds; contracts; household goods and personal effects, including antiques, jewelry and collections of any type; farm products and growing crops; livestock; farm machinery; automobiles; etc.

The value of an annuity or other payment made to a beneficiary of a deceased employee (other than the executor or equivalent) under (1) an exempt trust or qualified nontrusted annuity plan as described by the Internal Revenue Code or (2) a contract purchased by an educational or charitable organization as referred to in Section 170(b)(1)(A)(ii) or (vi) of the Internal Revenue Code or a religious organization exempt from tax under Internal Revenue Code Section 501(a), is taxable in the proportion that the total contributions made by the decedent bears to the total contributions made. The proceeds from a Retired Serviceman's Family Protection Plan or Survivor Benefit Plan are exempt under KRS 140.015(2). *Refer to KRS 140.063(3) and (4) regarding the taxation of individual retirement accounts and annuities as described in Section 408(a) and (b) of the Internal Revenue Code. Lump-sum distributions of an IRA are taxable.*

All other annuities, including deferred compensation plans, or payments other than those described in the preceding paragraph made to a beneficiary, executor or equivalent, are fully taxable if the decedent retained ownership at death such as the right to name or change the beneficiary and must be listed in this schedule.

Jointly Owned Assets

List in this schedule all property jointly owned by the decedent and other person(s). (Additional instructions are on reverse side.)

Item Number	Description of Property/ Name of Corporation or Obligor/ Name of Bank or Debtor	Name of Co-Owner(s)	Decedent's Interest (Fraction or %)	Date Placed in Joint Names	With or Without Survivorship	Value of 100% at Date of Death
1.						

Total (including continuation page(s)) ➤

Value of decedent's interest (enter on page 1, line 2) ➤

If additional space is needed, duplicate this page and attach as a continuation page(s).

INSTRUCTIONS

JOINTLY OWNED ASSETS

All jointly owned property whether real estate (for reporting agricultural or horticultural land, see *General Information—Valuation of Property—Fair Cash and Agricultural*), tangible personal property, bank accounts, stocks, bonds, etc., must be reported (see KRS 140.050 below). All property placed in joint ownership by the decedent within three years of the date of death is subject to the tax in its entirety (see KRS 140.020(2) below). However, there is no presumption of contemplation of death as to certificates of deposit jointly owned, and only the percent of ownership of the decedent is taxable (see KRS 140.020(3) below).

KRS 140.020(2) reads as follows: Every transfer made within three (3) years prior to the death of the grantor, vendor or donor of a material part of his estate, or in the nature of a final disposition or distribution thereof, and without an adequate valuable consideration, shall be construed prima facie to have been made in contemplation of death within the meaning of this chapter. If a transfer was made more than three (3) years prior to the death of the decedent it shall be a question of fact, to be determined by the proper tribunal, whether the transfer was made in contemplation of death.

KRS 140.020(3) reads as follows: There shall be no presumption of contemplation of death as to certificates of deposit jointly owned and all such certificates of deposit shall be taxed pursuant to KRS 140.050.

KRS 140.050 reads as follows: Whenever any real or personal property is held jointly in the names of two (2) or more persons, or as tenants by the entirety, or is deposited in banks or other depositories jointly in the names of two (2) or more persons and is payable to either or to the survivor upon the death of the other, the right of the surviving tenant by the entirety or the surviving joint tenant or joint depositor to the immediate ownership or possession and enjoyment of the property shall be deemed a transfer of one-half (1/2) or other proper fraction thereof, taxable under the provisions of this chapter in the same manner as though the part of the property to which the transfer relates belonged to the tenants by the entirety, joint tenants or joint depositors as tenants in common, and had been bequeathed or devised to the surviving tenant by the entirety, joint tenant or joint depositor by the deceased tenant by the entirety, joint tenant or just depositor.

Qualified Terminable Interest Property and/or Powers of Appointment

List in this schedule all items in which the decedent possessed a general power of appointment or property in which a qualified terminable interest property election was made in a prior estate. (Additional instructions are on reverse side.)

Item Number	Name of Prior Decedent/ Donor	Description of Property/Name of Corporation or Obligor/ Name of Bank or Debtor	Fair Cash Value on Date of Death of Present Decedent
1.			
Total (including continuation page(s)) (enter on page 1, line 3)			➤

If additional space is needed, duplicate this page and attach as a continuation page(s).

INSTRUCTIONS
QUALIFIED TERMINABLE INTEREST PROPERTY
AND/OR
POWERS OF APPOINTMENT

KRS 140.100(4) requires that the value of a surviving spouse's interest in a power of appointment trust or in qualified terminable interest property which was exempt as a part of the surviving spouse's inheritable interest in the first spouse's estate pursuant to an election made under KRS 140.080(1)(a) is includable in the surviving spouse's estate. The property is includable at its value on the surviving spouse's date of death. The personal representative of the decedent's estate is entitled to recover from the trust or life estate the tax attributable to the trust unless the decedent directs otherwise in his will.

Powers of Appointment

All property passing under a power of appointment created by will, deed, trust agreement, contract, insurance policy or other instrument must be reported in this schedule whether or not the power of appointment is exercised. *For taxation of transfers by power of appointment, refer to KRS 140.040 and 140.100(4).*

The method of computing the inheritance tax on any power of appointment property as described under KRS 140.040 is irrelevant in both the donor's and the donee's estates when such property is elected to be included in the surviving spouse's *total inheritable interest* as property which qualifies for the federal estate tax marital deduction under Section 2056(b)(5) or 2056(b)(7) of the Internal Revenue Code.

KRS 140.100(4) requires that the trust or life estate for which an election relates be included in the surviving spouse's estate for Kentucky inheritance tax purposes at its value on the death of the surviving spouse regardless of where spouse is domiciled. If the surviving spouse has the power to appoint the remaindermen of the qualified trust or life estate, the property is taxed to the remaindermen named in the surviving spouse's will and the rates and exemptions are based on their relationship to the surviving spouse. If the surviving spouse has no power to appoint the remaindermen of the qualified trust or life estate, the property is taxed to the remaindermen named in the first spouse's will and the rates and exemptions are based on their relationship to the second spouse unless such rates and exemptions prove to increase the tax liability. If this occurs, the beneficiary may use the rates and exemptions in effect at the death of the first spouse. If the first decedent was a nonresident of Kentucky or died prior to July 1, 1985, the trust or life estate is not includable in the surviving spouse's estate.

Qualified Terminable Interest Property

For purpose of the spousal exemption, the term *total inheritable interest* may include at the election of the personal representative (or trustee or transferee, if no personal representative) the entire value of a trust or property in which the surviving spouse was devised a life estate and which otherwise qualifies for the federal estate tax marital deduction under Section 2056(b)(5) or 2056(b)(7) of the Internal Revenue Code of 1954, as amended through December 31, 1984. The election is irrevocable and must be made on Form 92A936 on or before the due date of the tax return (as extended) or with the first tax return filed, whichever occurs last. It is not necessary that a similar election be made for purposes of the federal estate tax marital deduction or that a Federal Estate and Gift Tax Return be filed. The effect of the election is that the property (interest) will be treated as passing to the surviving spouse for purposes of the spousal exemption.

Previously Taxed Property

List in this schedule all items owned by the decedent at death that were taxed in a prior estate and the prior decedent having died within five years of this decedent's date of death. (Additional instructions are on reverse side.)

Item Number	Name and Date of Death of Prior Decedent	Description of Property/Name of Corporation or Obligor/ Name of Bank or Debtor	Amount of Tax Previously Paid	Fair Cash Value on Date of Death of Present Decedent
1.				

Total (including continuation page(s)) (enter on page 1, line 4) ➔

If additional space is needed, duplicate this page and attach as a continuation page(s).

INSTRUCTIONS
PREVIOUSLY TAXED PROPERTY
(PRIOR DECEDENT TO IMMEDIATE DECEDENT WITHIN FIVE YEARS)

List all property owned by the immediate decedent at death that was taxed under the Kentucky Inheritance and Estate Tax Law (KRS Chapter 140) and received from a prior estate, the prior decedent having died within five years of the immediate decedent's date of death. Property listed in this schedule must be specifically identified as having been so taxed or as having been acquired in exchange for property so taxed. All property correctly listed in this schedule is subject to a tax credit as provided in KRS 140.095. ***Separate tax credit computations must be made if the decedent paid tax in two or more prior estates.***

Identify the property previously taxed and take full credit for the tax paid by the immediate decedent in the prior estate. If full credit is not allowable, you will be billed for the additional tax plus applicable interest, if due. The credit is taken on the **Tax Computation** schedule as a part of this return.

The methods used in evaluating property listed in this schedule will be the same as those used in evaluating like property listed in other schedules. ***Property listed in this schedule must be valued as of the date of the immediate decedent's death and must not appear in any other schedule.***

See page 3 of general information for an example.

Gifts and Transfers

List in this schedule all gifts or transfers made within three years of the decedent's date of death or when the decedent retained a life interest. (Additional instructions are on reverse side.)

Was life interest retained by the decedent? Yes No

Item Number	To Whom Made	Description of Property Transferred	Date of Transfer	Value at Date of Death
1.				

Total (including continuation page(s)) (enter on page 1, line 5) ➔

If additional space is needed, duplicate this page and attach as a continuation page(s).

INSTRUCTIONS
GIFTS AND TRANSFERS

Include all gifts and transfers of property in this schedule made by the decedent within three years prior to death and any gift or transfer of property during the decedent's lifetime in which a life estate or the income was retained by the decedent. **If made by deed or trust, a copy of such instrument must be attached.** In the event the taxability of the gift or transfer is not included in the taxable estate, submit details of the transfer and the reason for the exclusion. *To determine the proper taxation of gifts and transfers, refer to KRS 140.020 (see below). For reporting agricultural or horticultural land, see General Information—**Valuation of Property—Fair Cash and Agricultural.***

KRS 140.020 reads in part as follows: (1) Any property or interest therein, of which the decedent has made a transfer by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after death, including a transfer under which the transferor has retained for his life or any period not ending before his death (a) the possession or enjoyment of, or the income from the property; or (b) the actual or contingent power to designate the persons who shall possess the property or the income therefrom, except in the case of a bona fide sale for an adequate and full consideration in money or money's worth. It shall further apply to any property conveyed in trust over which the settlor has a power of revocation exercisable by will.

(2) Every transfer made within three (3) years prior to the death of the grantor, vendor or donor of a material part of his estate, or in the nature of a final disposition or distribution thereof, and without an adequate valuable consideration, shall be construed to have been made in contemplation of death within the meaning of this chapter.

FUNERAL EXPENSES

List in this schedule the cost of the funeral, monument and maintenance of cemetery lot actually paid and not reimbursed.

Description	To Whom Paid	Amount Paid
Funeral		
Monument		
Cemetery lot		
Maintenance of lot		
Other (<i>specify</i>)		
Total funeral expenses (not to exceed \$5,000) (including continuation page(s)) (enter on page 1, line 6)		➔

ADMINISTRATION EXPENSES

List in this schedule administration expenses, including attorneys' fees and commissions of executors and administrators, actually allowed and paid.

Description	To Whom Paid	Amount Paid
Executors'/Administrators' commissions		
Attorneys' fees		
Appraisers' fees		
Other (<i>specify</i>)		
Total administration expenses (including continuation page(s)) (enter on page 1, line 7)		➔

Attach a separate sheet for additional expenses if needed.

DEBTS OF DECEDENT (Detailed instructions are on reverse side.)

Item Number	Creditor	Nature of Claim	Amount
1.			
Total debts of decedent (including continuation page(s)) <i>(enter on page 1, line 8)</i>			➤

FEDERAL ESTATE TAX

Check whether paid or estimated. (Detailed instructions are on reverse side.)

Total <i>(enter on page 1, line 9)</i>	➤
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PROPERTY HAVING A SITUS OUTSIDE KENTUCKY (Detailed instructions are on reverse side.)

Location and Description of Property	Fair Cash Value at Date of Death	Mortgages and Taxes	Net Value at Date of Death
Total <i>(do not include on page 1)</i>			➤

INSTRUCTIONS

DEBTS OF DECEDENT

Debts and taxes of the decedent paid by the personal representative are deductible. Real property taxes that were a lien against the decedent's property at the date of death are deductible. Indicate the decedent's percentage of liability for debts and taxes on jointly owned property. If the decedent is survived by a husband, her debts, with the exception of taxes or mortgages on her real property, are not deductible unless paid from the proceeds of her estate.

List in this schedule all mortgages and liens of the decedent. Indicate the decedent's share of liability if mortgage is secured by jointly owned property. Mortgages are not deductible to the extent secured by credit life insurance.

FEDERAL ESTATE TAX

The figure for this calculation should be obtained from the Federal Estate and Gift Tax Return.

The federal estate tax is deductible in the proportion that the net estate in Kentucky subject to the federal estate taxes bears to the total net estate everywhere subject to federal estate taxes. This is calculated by dividing the Kentucky net estate, before the federal estate tax deduction, by the federal taxable estate including federal taxable gifts.

PROPERTY HAVING A SITUS OUTSIDE KENTUCKY

Show location, description and actual value, at date of death, of all decedent's property having a situs outside Kentucky. This information is necessary to determine the amount of federal estate tax allowable as a deduction under KRS 140.090(1)(d). List mortgages and taxes on property. ***Intangible property located outside Kentucky is taxable and must be reported on the return if the decedent was domiciled in Kentucky.***

