

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2455

As Recommended by House Committee on
Judiciary

Brief*

HB 2455 would amend the Uniform Principal and Income Act (UPIA) which deals with how income and distributions are handled in the administration of trusts and estates. The bill deals with the estate tax marital deduction which, under current law, does not allow a transfer to a trust that benefits a surviving spouse. Changes enumerated in the bill would allow for the administration of funds received by the trust, in accordance with IRS rules, for the estate tax marital deduction.

In addition, the bill would clarify how the trustee is to proportion trust income for which a tax must be paid.

Background

An official with the Judicial Council appeared in support of the bill.

No testimony was offered in opposition to the bill.

The fiscal note from the Department of Revenue indicates the bill would have no fiscal effect on state revenues. The Office of the State Bank Commissioner conducts periodic examinations of state chartered trust companies and trust departments within state chartered banks. During examinations, trust examiners currently consider compliance with the provisions of the UPIA. The changes proposed in the bill would be incorporated into the current examination process and any expenses associated with implementing the bill would be negligible and could be absorbed within existing staff and resource.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>