SENATE
STATE OF MINNESOTA
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S.F. No. 1448

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02/18/2019		Introduction and first reading Referred to Taxes

A bill for an act

relating to taxation; repealing the estate tax; providing for technical changes; repealing Minnesota Statutes 2018, sections 270C.585; 289A.10; 289A.18, subdivisions 3, 3a; 289A.19, subdivision 4; 289A.20, subdivisions 3, 3a; 289A.30, subdivision 2; 289A.55, subdivision 7; 291.005; 291.01; 291.016; 291.03, subdivisions 1, 1a, 1d, 8, 9, 10, 11; 291.031; 291.075; 291.12, subdivisions 1, 2, 3; 291.13, subdivisions 1, 3; 291.16; 291.21, subdivision 1; 291.215, subdivision 1; 291.27.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **RULE CHANGES.**

The commissioner of revenue shall make all necessary changes to Minnesota Rules, chapters 8001 to 8175, consistent with the repealer in section 3. The commissioner shall use the good cause exemption under Minnesota Statutes, section 14.388, in adopting the amendments. The provisions of Minnesota Statutes, section 14.386, do not apply except as provided in Minnesota Statutes, section 14.388.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. **REVISOR INSTRUCTION.**

The revisor of statutes shall make all necessary statutory cross-reference changes and other reference changes in Minnesota Statutes consistent with the repealer in section 3. The revisor can make changes to sentence structure to preserve the meaning of the text.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. **REPEALER.**

Minnesota Statutes 2018, sections 270C.585; 289A.10; 289A.18, subdivisions 3 and 3a; 289A.19, subdivision 4; 289A.20, subdivisions 3 and 3a; 289A.30, subdivision 2; 289A.55, subdivision 7; 291.005; 291.01; 291.016; 291.03, subdivisions 1, 1a, 1d, 8, 9, 10, and 11; 291.031; 291.075; 291.12, subdivisions 1, 2, and 3; 291.13, subdivisions 1 and 3; 291.16; 291.21, subdivision 1; 291.215, subdivision 1; and 291.27, are repealed.

EFFECTIVE DATE. This section is effective retroactively for estates of decedents dying after December 31, 2018.

270C.585 TRANSFEREE LIABILITY FOR ESTATE TAX.

The personal representative and person to whom property that is subject to taxation under chapter 291 is transferred, other than a bona fide purchaser, mortgagee, or lessee, is personally liable for that tax, until its payment, to the extent of the value of the property at the time of the transfer. Personal liability also does not extend to subsequent transferees from bona fide purchasers, mortgagees, and lessees.

289A.10 FILING REQUIREMENTS FOR ESTATE TAX RETURNS.

Subdivision 1. **Return required.** In the case of a decedent who has an interest in property with a situs in Minnesota, the personal representative must submit a Minnesota estate tax return to the commissioner, on a form prescribed by the commissioner, if:

(1) a federal estate tax return is required to be filed; or

(2) the sum of the federal gross estate and federal adjusted taxable gifts, as defined in section 2001(b) of the Internal Revenue Code, made within three years of the date of the decedent's death exceeds $1,200,000 for estates of decedents dying in 2014; $1,400,000 for estates of decedents dying in 2015; $1,600,000 for estates of decedents dying in 2016; $1,800,000 for estates of decedents dying in 2017; and $2,000,000 for estates of decedents dying in 2018 and thereafter.

The return must contain a computation of the Minnesota estate tax due. The return must be signed by the personal representative.

Subd. 1a. **Recapture tax return required.** If a disposition or cessation as provided by section 291.03, subdivision 11, paragraph (a), has occurred, the qualified heir, as defined under section 291.03, subdivision 8, paragraph (c), or personal representative of the decedent's estate must submit a recapture tax return to the commissioner.

Subd. 2. **Documents required.** The commissioner may designate on the return the documents that are required to be filed together with the return to determine the computation of tax.

Subd. 3. **Definitions.** For purposes of this section, the definitions contained in section 291.005 apply.

289A.18 DUE DATES FOR FILING OF RETURNS.

Subd. 3. **Estate tax returns.** An estate tax return must be filed with the commissioner within nine months after the decedent's death.

Subd. 3a. **Recapture tax return.** A recapture tax return must be filed with the commissioner within six months after the date of the disposition or cessation as provided by section 291.03, subdivision 11, paragraph (a).

289A.19 EXTENSIONS FOR FILING RETURNS.

Subd. 4. **Estate tax returns.** The time for filing an estate tax return shall be extended for either six months or the amount of time granted under section 6081 of the Internal Revenue Code to file the federal estate tax return, whichever is longer.

289A.20 DUE DATES FOR MAKING PAYMENTS OF TAX.

Subd. 3. **Estate tax.** Taxes imposed by section 291.03, subdivision 1, take effect at and upon the death of the person whose estate is subject to taxation and are due and payable on or before the expiration of nine months from that death.

Subd. 3a. **Recapture tax.** The additional estate tax imposed by section 291.03, subdivision 11, paragraph (b), is due and payable on or before the expiration of the date provided by section 291.03, subdivision 11, paragraph (c).

289A.30 EXTENSIONS FOR PAYING TAX.

Subd. 2. **Estate tax.** Where good cause exists, the commissioner may extend the time for payment of estate tax for a period of not more than six months. If an extension to pay the federal estate tax has been granted under section 6161 of the Internal Revenue Code, the time for payment of the estate tax without penalty is extended for that period. A taxpayer who owes at least $5,000 in taxes and who, under section 6161 or 6166 of the Internal Revenue Code has been granted an extension for payment of the tax shown on the return, may elect to pay the tax due to the commissioner in equal amounts at the same time as required for federal purposes. A taxpayer electing to pay the tax in installments shall defer a percentage of tax that does not exceed the percentage of federal tax deferred and must notify the commissioner in writing no later than nine months after the death of the person whose estate is subject to taxation. If the taxpayer fails to pay an installment on time, unless it is shown that the failure is due to reasonable cause, the election is revoked and the entire amount of unpaid tax plus accrued interest is due and payable 90 days after the date on which the installment was payable.

289A.55 INTEREST PAYABLE TO COMMISSIONER.

Subd. 7. **Installment payments; estate tax.** Interest must be paid on unpaid installment payments of the tax authorized under section 289A.30, subdivision 2, beginning on the date the tax was due without regard to extensions allowed or extensions elected, at the rate given in section 270C.40.

291.005 DEFINITIONS.

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as required to be valued and otherwise determined for federal estate tax purposes under the Internal Revenue Code, increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through December 31, 2014.

(4) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included in the estate which has its situs outside Minnesota, and (b) including any property omitted from the federal gross estate which is includable in the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(7) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(8) "Situs of property" means, with respect to:

(i) real property, the state or country in which it is located;

(ii) tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death or for a gift of tangible personal property within three years of death, the state or country in which it was normally kept or located when the gift was executed;

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

(iv) intangible personal property, the state or country in which the decedent was domiciled at death or for a gift of intangible personal property within three years of death, the state or country in which the decedent was domiciled when the gift was executed.

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

(9) "Pass-through entity" includes the following:

(i) an entity electing S corporation status under section 1362 of the Internal Revenue Code;

(ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

(iii) a single-member limited liability company or similar entity, regardless of whether it is taxed as an association or is disregarded for federal income tax purposes under Code of Federal Regulations, title 26, section 301.7701-3; or

(iv) a trust to the extent the property is includible in the decedent's federal gross estate; but excludes

(v) an entity whose ownership interest securities are traded on an exchange regulated by the Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

Subd. 2. **Incorporation by reference of Uniform Probate Code definitions.** The definitions set forth in section 524.1-201, wherever appropriate to the administration of the provisions of this chapter are incorporated by reference.

291.01 TAX IMPOSED.

A tax is hereby imposed upon the transfer of estates of decedents as prescribed by this chapter.

291.016 MINNESOTA TAXABLE ESTATE.

Subdivision 1. **General.** For purposes of the tax under this chapter, the Minnesota taxable estate equals the federal taxable estate as provided under section 2051 of the Internal Revenue Code, without regard to whether the estate is subject to the federal estate tax:

(1) increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes;

(2) increased by the additions under subdivision 2; and

(3) decreased by the subtraction under subdivision 3.

Subd. 2. **Additions.** The following amounts, to the extent deducted in computing the federal taxable estate, must be added in computing the Minnesota taxable estate:

(1) the amount of the deduction for state death taxes allowed under section 2058 of the Internal Revenue Code;

(2) the amount of the deduction for foreign death taxes allowed under section 2053(d) of the Internal Revenue Code; and

(3) the aggregate amount of taxable gifts as defined in section 2503 of the Internal Revenue Code, made by the decedent within three years of the date of death. For purposes of this clause, the amount of the addition equals the value of the gift under section 2512 of the Internal Revenue Code and excludes any value of the gift included in the federal estate.

Subd. 3. **Subtraction.** The value of qualified small business property under section 291.03, subdivision 9, and the value of qualified farm property under section 291.03, subdivision 10, or the result of $5,000,000 minus the amount for the year of death listed in clauses (1) to (5), whichever is less, may be subtracted in computing the Minnesota taxable estate but must not reduce the Minnesota taxable estate to less than zero:

(1) $1,200,000 for estates of decedents dying in 2014;

(2) $1,400,000 for estates of decedents dying in 2015;

(3) $1,600,000 for estates of decedents dying in 2016;

(4) $1,800,000 for estates of decedents dying in 2017; and

(5) $2,000,000 for estates of decedents dying in 2018 and thereafter.

291.03 RATES.

Subdivision 1. **Tax amount.** The tax imposed must be computed by applying to the Minnesota taxable estate the following schedule of rates and then the resulting amount multiplied by a fraction, not greater than one, the numerator of which is the value of the Minnesota gross estate plus the value of gifts under section 291.016, subdivision 2, clause (3), with a Minnesota situs, and the denominator of which is the federal gross estate plus the value of gifts under section 291.016, subdivision 2, clause (3):

(a) For estates of decedents dying in 2014:

Amount of Minnesota Taxable Estate	Rate of Tax
Not over $1,200,000	None
Over $1,200,000 but not over $1,400,000	nine percent of the excess over $1,200,000
Over $1,400,000 but not over $3,600,000	$18,000 plus ten percent of the excess over $1,400,000
Over $3,600,000 but not over $4,100,000	$238,000 plus 10.4 percent of the excess over $3,600,000
Over $4,100,000 but not over $5,100,000	$290,000 plus 11.2 percent of the excess over $4,100,000
Over $5,100,000 but not over $6,100,000	$402,000 plus 12 percent of the excess over $5,100,000
Over $6,100,000 but not over $7,100,000	$522,000 plus 12.8 percent of the excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$650,000 plus 13.6 percent of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$786,000 plus 14.4 percent of the excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$930,000 plus 15.2 percent of the excess over $9,100,000
Over $10,100,000	$1,082,000 plus 16 percent of the excess over $10,100,000

(b) For estates of decedents dying in 2015:

Amount of Minnesota Taxable Estate	Rate of Tax
Not over $1,400,000	None
Over $1,400,000 but not over $3,600,000	ten percent of the excess over $1,400,000
Over $3,600,000 but not over $6,100,000	$220,000 plus 12 percent of the excess over $3,600,000
Over $6,100,000 but not over $7,100,000	$520,000 plus 12.8 percent of the excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$648,000 plus 13.6 percent of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$784,000 plus 14.4 percent of the excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$928,000 plus 15.2 percent of the excess over $9,100,000
Over $10,100,000	$1,080,000 plus 16 percent of the excess over $10,100,000

(c) For estates of decedents dying in 2016:

Amount of Minnesota Taxable Estate	Rate of Tax
Not over $1,600,000	None
Over $1,600,000 but not over $2,600,000	ten percent of the excess over $1,600,000
Over $2,600,000 but not over $6,100,000	$100,000 plus 12 percent of the excess over $2,600,000
Over $6,100,000 but not over $7,100,000	$520,000 plus 12.8 percent of the excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$648,000 plus 13.6 percent of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$784,000 plus 14.4 percent of the excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$928,000 plus 15.2 percent of the excess over $9,100,000
Over $10,100,000	$1,080,000 plus 16 percent of the excess over $10,100,000

(d) For estates of decedents dying in 2017:

Amount of Minnesota Taxable Estate	Rate of Tax
Not over $1,800,000	None
Over $1,800,000 but not over $2,100,000	ten percent of the excess over $1,800,000
Over $2,100,000 but not over $5,100,000	$30,000 plus 12 percent of the excess over $2,100,000
Over $5,100,000 but not over $7,100,000	$390,000 plus 12.8 percent of the excess over $5,100,000
Over $7,100,000 but not over $8,100,000	$646,000 plus 13.6 percent of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$782,000 plus 14.4 percent of the excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$926,000 plus 15.2 percent of the excess over $9,100,000
Over $10,100,000	$1,078,000 plus 16 percent of the excess over $10,100,000

(e) For estates of decedents dying in 2018 and thereafter:

Amount of Minnesota Taxable Estate	Rate of Tax
Not over $2,000,000	None
Over $2,000,000 but not over $2,600,000	ten percent of the excess over $2,000,000
Over $2,600,000 but not over $7,100,000	$60,000 plus 13 percent of the excess over $2,600,000
Over $7,100,000 but not over $8,100,000	$645,000 plus 13.6 percent of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$781,000 plus 14.4 percent of the excess over $8,100,000

Over $9,100,000 but not over $10,100,000	$925,000 plus 15.2 percent of the excess over $9,100,000
Over $10,100,000	$1,077,000 plus 16 percent of the excess over $10,100,000

Subd. 1a. **Expenses disallowed.** For the purposes of this section, expenses which are deducted for federal income tax purposes under section 642(g) of the Internal Revenue Code are not allowable in computing the tax under this chapter.

Subd. 1d. **Elections.** (a) For the purposes of this section, the value of the Minnesota taxable estate is determined by taking into account the deduction available under section 2056(b) of the Internal Revenue Code. An election under section 2056(b) of the Internal Revenue Code may be made for Minnesota estate tax purposes regardless of whether the election is made for federal estate tax purposes. The value of the gross estate includes the value of any property in which the decedent had a qualifying income interest for life for which an election was made under this subdivision.

(b) Except for an election made under section 2056(b) of the Internal Revenue Code, no federal election is allowable in computing the tax under this chapter unless the estate is required to file a federal estate tax return, the election is made on the federal estate tax return, and the election is allowed under federal law.

Subd. 8. **Definitions.** (a) For purposes of this section, the following terms have the meanings given in this subdivision.

(b) "Family member" means a family member as defined in section 2032A(e)(2) of the Internal Revenue Code, or a trust whose present beneficiaries are all family members as defined in section 2032A(e)(2) of the Internal Revenue Code.

(c) "Qualified heir" means a family member who acquired qualified property upon the death of the decedent and satisfies the requirement under subdivision 9, clause (7), or subdivision 10, clause (5), for the property.

(d) "Qualified property" means qualified small business property under subdivision 9 and qualified farm property under subdivision 10.

Subd. 9. **Qualified small business property.** Property satisfying all of the following requirements is qualified small business property:

(1) The value of the property was included in the federal adjusted taxable estate.

(2) The property consists of the assets of a trade or business or shares of stock or other ownership interests in a corporation or other entity engaged in a trade or business. Shares of stock in a corporation or an ownership interest in another type of entity do not qualify under this subdivision if the shares or ownership interests are traded on a public stock exchange at any time during the three-year period ending on the decedent's date of death. For purposes of this subdivision, an ownership interest includes the interest the decedent is deemed to own under sections 2036, 2037, and 2038 of the Internal Revenue Code.

(3) During the taxable year that ended before the decedent's death, the trade or business must not have been a passive activity within the meaning of section 469(c) of the Internal Revenue Code, and the decedent or the decedent's spouse must have materially participated in the trade or business within the meaning of section 469(h) of the Internal Revenue Code, excluding section 469(h)(3) of the Internal Revenue Code and any other provision provided by United States Treasury Department regulation that substitutes material participation in prior taxable years for material participation in the taxable year that ended before the decedent's death.

(4) The gross annual sales of the trade or business were $10,000,000 or less for the last taxable year that ended before the date of the death of the decedent.

(5) The property does not consist of cash, cash equivalents, publicly traded securities, or assets not used in the operation of the trade or business. For property consisting of shares of stock or other ownership interests in an entity, the value of cash, cash equivalents, publicly traded securities, or assets not used in the operation of the trade or business held by the corporation or other entity must be deducted from the value of the property qualifying under this subdivision in proportion to the decedent's share of ownership of the entity on the date of death.

(6) The decedent continuously owned the property, including property the decedent is deemed to own under sections 2036, 2037, and 2038 of the Internal Revenue Code, for the three-year period

ending on the date of death of the decedent. In the case of a sole proprietor, if the property replaced similar property within the three-year period, the replacement property will be treated as having been owned for the three-year period ending on the date of death of the decedent.

(7) For three years following the date of death of the decedent, the trade or business is not a passive activity within the meaning of section 469(c) of the Internal Revenue Code, and a family member materially participates in the operation of the trade or business within the meaning of section 469(h) of the Internal Revenue Code, excluding section 469(h)(3) of the Internal Revenue Code and any other provision provided by United States Treasury Department regulation that substitutes material participation in prior taxable years for material participation in the three years following the date of death of the decedent.

(8) The estate and the qualified heir elect to treat the property as qualified small business property and agree, in the form prescribed by the commissioner, to pay the recapture tax under subdivision 11, if applicable.

Subd. 10. **Qualified farm property.** Property satisfying all of the following requirements is qualified farm property:

(1) The value of the property was included in the federal adjusted taxable estate.

(2) The property consists of agricultural land and is owned by a person or entity that is either not subject to or is in compliance with section 500.24.

(3) For property taxes payable in the taxable year of the decedent's death, the property is classified as class 2a property under section 273.13, subdivision 23, and is classified as agricultural homestead, agricultural relative homestead, or special agricultural homestead under section 273.124.

(4) The decedent continuously owned the property, including property the decedent is deemed to own under sections 2036, 2037, and 2038 of the Internal Revenue Code, for the three-year period ending on the date of death of the decedent either by ownership of the agricultural land or pursuant to holding an interest in an entity that is not subject to or is in compliance with section 500.24.

(5) The property is classified for property tax purposes as class 2a property under section 273.13, subdivision 23, for three years following the date of death of the decedent.

(6) The estate and the qualified heir elect to treat the property as qualified farm property and agree, in a form prescribed by the commissioner, to pay the recapture tax under subdivision 11, if applicable.

Subd. 11. **Recapture tax.** (a) If, within three years after the decedent's death and before the death of the qualified heir, the qualified heir disposes of any interest in the qualified property, other than by a disposition to a family member, or a family member ceases to satisfy the requirement under subdivision 9, clause (7); or 10, clause (5), an additional estate tax is imposed on the property. In the case of a sole proprietor, if the qualified heir replaces qualified small business property excluded under subdivision 9 with similar property, then the qualified heir will not be treated as having disposed of an interest in the qualified property.

(b) The amount of the additional tax equals the amount of the exclusion claimed by the estate under subdivision 8, paragraph (d), multiplied by 16 percent.

(c) The additional tax under this subdivision is due on the day which is six months after the date of the disposition or cessation in paragraph (a).

291.031 CREDIT.

(a) The estate of a nonresident decedent that is subject to tax under this chapter on the value of Minnesota situs property held in a pass-through entity is allowed a credit against the tax due under section 291.03 equal to the lesser of:

(1) the amount of estate or inheritance tax paid to another state that is attributable to the Minnesota situs property held in the pass-through entity; or

(2) the amount of tax due under section 291.03 attributable to the Minnesota situs property held in the pass-through entity.

(b) The amount of tax attributable to the Minnesota situs property held in the pass-through entity must be determined by the increase in the estate or inheritance tax that results from including the market value of the property in the estate or treating the value as a taxable inheritance to the recipient of the property.

291.075 SPECIAL USE VALUATION OF QUALIFIED PROPERTY.

If, after the final determination of the tax imposed by this chapter, the property valued pursuant to section 2032A of the Internal Revenue Code is disposed of or fails to qualify and an additional tax is imposed pursuant to section 2032A(c), any increase in the credit for state death taxes shall be reported to the commissioner within 90 days after final determination of the increased credit. Upon notification the commissioner may assess an additional tax in accordance with section 291.03, subdivision 1.

291.12 COLLECTION OF TAX BY REPRESENTATIVE OR TRUSTEE.

Subdivision 1. **Requirement.** Any representative or trustee who has in possession or under control, property, the transfer of which is subject to any tax imposed by this chapter and from which such tax may lawfully be paid by the representative or trustee, shall either deduct the amount of tax due or shall collect from the person entitled to such property, the amount of tax due, together with any accrued interest thereon, before completing the transfer of such property or making delivery thereof and shall pay to the commissioner all taxes and interest so deducted or collected.

Subd. 2. **Liability.** Any representative or trustee having in possession or under control any property to which a person, from whom a tax is known by such representative or trustee to be due under the provisions of this chapter, is entitled, shall be personally liable for the payment of such tax and any interest accrued, to the extent of the value of such property; provided, however, that there shall be no such liability if such property cannot be lawfully used by the representative or trustee for the payment of such taxes or interest.

Subd. 3. **Effect on duty to transfer or deliver property.** No representative or trustee shall be required to transfer or deliver any property in possession or under control unless all taxes and interest due from the person entitled thereto under the provisions of this chapter have either been deducted or collected by the representative or trustee or paid by the transferee to the commissioner.

291.13 TAXES TO BE PAID TO COMMISSIONER OF REVENUE.

Subdivision 1. **Requirement.** All taxes imposed by this chapter shall be paid to the commissioner.

Subd. 3. **Deposit in general fund.** All taxes paid under the provisions of this chapter shall be deposited by the commissioner in the state treasury, and shall belong to and be a part of the general fund of the state.

291.16 POWER OF SALE.

Every executor, administrator, or trustee shall have full power to sell the property embraced in any inheritance, devise, bequest, or legacy to pay the tax imposed by this chapter, in the same manner as entitled by law to do for the payment of the debts of a testator or intestate.

291.21 LETTERS OF ADMINISTRATION.

Subdivision 1. **Rights of commissioner.** The commissioner shall have the same rights to apply for letters of administration as are conferred upon creditors by law.

291.215 VALUATION OF ESTATE.

Subdivision 1. **Determination.** All property includable in the Minnesota gross estate of a decedent shall be valued in accordance with the provisions of sections 2031 or 2032 and, if applicable, 2032A, of the Internal Revenue Code and any elections made in valuing the federal gross estate shall be applicable in valuing the Minnesota gross estate. The value of all property includable in the Minnesota gross estate of a decedent may be independently determined under those sections for Minnesota estate tax purposes except:

(1) as otherwise provided in section 291.075; or

(2) if the Internal Revenue Service, after receiving the estate's federal estate tax return, either conducts a separate appraisal of an asset reported on the return or proposes a change in the reported valuation of an asset in the estate, in which case the federal final determination of the value controls.

291.27 UNPAID TAX; OMITTED PROPERTY.

Any tax due and unpaid under the provisions of this chapter may be enforced and collected from any transferee of property included in the Minnesota estate by action in the court of administration of the estate of the decedent or in a court of general jurisdiction by the personal representative of any estate, the attorney general, or the commissioner in the name of the state.

Any property which for any cause is omitted from the Minnesota estate tax return so that its value is not taken into consideration in the determination of the estate tax, may be subsequently taxed against the persons receiving the same, or any part thereof, to the same effect as if included in the estate tax return, except that any personal representative of an estate discharged in the meantime shall not be liable for the payment of such tax. When any property has been omitted in the determination of an estate tax, the tax thereon may be determined and recovered in a civil action brought by the attorney general or the commissioner, in the name of the state, in any court of general jurisdiction.