

ELECTION TO DEFER THE PAYMENT OF INHERITANCE TAX THROUGH INSTALLMENTS

Tax Must Exceed \$5,000

INSTRUCTIONS: This election is to be signed by the beneficiary and filed in duplicate at the time the inheritance tax return is filed. (See KRS 140.222 to determine if the beneficiary qualifies to pay his tax through installments.)

ESTATE OF _____ DATE OF DEATH _____ HR _____

BENEFICIARY'S NAME _____ AMOUNT OF TAX \$ _____

BENEFICIARY'S ADDRESS _____

BENEFICIARY'S E-MAIL ADDRESS _____ PHONE NUMBER () _____

To be able to pay your inheritance tax through the deferred payment plan in equal annual installments you must agree to the following terms and conditions:

- (1) The first installment shall be due and payable at the time the inheritance tax return is filed and the return must be filed timely.
- (2) Each succeeding installment is due one year from the date of the previous payment.
- (3) The portion of the tax remaining unpaid shall be charged with interest beginning 18 months after the decedent's date of death. Pursuant under the provisions of KRS 140.222, the interest rate is established under KRS 131.010(6).
- (4) Your share of the inheritance tax exceeds \$5,000.
- (5) The filing of this election together with payment of the first installment shall relieve the personal representative of the estate from further liability for the deferred tax payments and the bond requirements of KRS 140.210.
- (6) This election is not finally approved until all inheritance tax liabilities are determined by the department.
- (7) The beneficiary choosing to use the installment method for paying the tax is personally liable for the amount of the deferred tax remaining unpaid.
- (8) The statute of limitations for actions to collect these taxes shall be suspended for the period of time that the taxes are deferred.
- (9) The Department of Revenue may require the beneficiary to post sufficient security when the department reasonably believes collection of the tax may be in jeopardy.
- (10) Failure to pay any installment as it becomes due or to post the required security shall cause all unpaid installments to become immediately due and payable.
- (11) Failure to pay any installment as it becomes due may cause penalties to be applied pursuant to KRS 131.180.
- (12) The beneficiary is responsible for notifying the Financial Tax Section, Department of Revenue, Station 61, 501 High Street, Frankfort, Kentucky 40601-2103, of any change of address.

I, _____, hereby elect to pay my inheritance tax through 10 equal annual installments pursuant to KRS 140.222 in accordance with the terms and conditions above.

Approved: _____
Department of Revenue

Signature of the Electing Beneficiary

Date

Date