



West Virginia Estate Tax (for decedents dying after June 30, 1985) And Intestate Succession Law (for decedents dying after July 9, 1993)

Information for specific circumstances is available from the Compliance and Taxpayer Services Division of the West Virginia State Tax Department, your attorney, trust officer or accountant.

WHAT IS THE WEST VIRGINIA ESTATE TAX ?

The West Virginia estate tax is a death tax imposed upon the estates of resident decedents, and the estates of nonresident decedents owning real estate or tangible personal property in West Virginia who are subject to the federal estate tax. Also subject to the tax are estates of alien decedents having real estate or tangible personal property with actual situs in West Virginia and intangible personal property physically present within West Virginia.

FILING REQUIREMENTS.

The personal representative of the estate is required to file the West Virginia estate tax return and pay any tax due within nine months after death. A copy of the federal return must accompany the West Virginia return.

The filing requirement for a death in 1985 is an estate with a gross value exceeding \$400,000; in 1986, a gross value exceeding \$500,000; in 1987 through 1997 a gross value exceeding \$600,000; in 1998, a gross value exceeding \$625,000; in 1999, a gross value exceeding \$650,000; in 2000 and 2001, a gross value exceeding \$675,000; in 2002 and 2003, a gross value exceeding \$1,000,000; in 2004, a gross value exceeding \$1,500,000. **For dates of death on or after January 1, 2005 the West Virginia Estate Tax is no longer in effect.**

TAX COMPUTATION.

The West Virginia estate tax is equal to the credit for State Death Taxes computed as shown in the instructions for the federal estate return. For estates of nonresidents, the tax is apportioned. Please note that where a resident decedent's estate consists of real estate or tangible personal property with actual situs outside West Virginia, the tax is also apportioned.

INTEREST AND ADDITIONS TO TAX.

Any tax not paid within nine months after the date of death will have interest and additions to tax added at the rates established under West Virginia law (WV Code § 11-10-18 and § 11-11-15).

To assist your understanding of this brochure, we offer the following definitions. Please refer to this section for clarification of any word you may not fully understand.

AUGMENTED ESTATE: The sum of the net probate estate and any of the decedent's reclaimable assets, jointly held accounts, life insurance, etc. held with any person other than the surviving spouse.

BENEFICIARY: The person who receives property, benefits, or advantages from another whether by Will, deed or law of succession of property.

COURT: The County Commission, or branch thereof, in this state, which has jurisdiction in matters relating to affairs of decedents.

DECEDENT: A deceased person.

DESCENDANT: Issue or offspring of a decedent.

DEVISE: Testamentary disposition (through a Will) of real or personal property.

DEVISEE: person designated to receive something in a Will

ELECTIVE SHARE: The surviving spouse of a decedent who dies domiciled in this state has a right of election, i.e. to claim an amount equal to the elective share percentage (determined by the length of the marriage) of the augmented estate. The surviving spouse's assets are used to help determine the proper elective share.

ESCHEAT: If there are no heirs, the assets of the estate pass to the State of West Virginia.

FIDUCIARY: A personal representative, administrator or executor of the decedent's estate or the trustee of a trust as created under the decedent's Will.

HEIRS: Persons who are entitled to the property of a decedent under the statutes of intestate succession.

INTESTACY: The condition of dying without leaving a valid Will.

INTESTATE ESTATE: Any part of a decedent's estate not effectively disposed of (devised) by a Will, which then passes to the decedent's heirs under intestate succession.

LIFE ESTATE: A transfer or holding of assets which is limited to the life of the owner or of some other transferee.

PERSONAL REPRESENTATIVE: The person or instrument nominated to be responsible for the administration of a decedent's estate.

PROBATE: An order of court judging a Will to be valid and ordering it to be recorded, but more broadly speaking, the entire process of admitting a Will to record, deciding questions arising in the administration of an estate and approving the accounts of an executor or an administrator. In the event there is no Will, probate refers to the process of Intestate Administration.

PROPERTY: The total sum of one's possessions; that which belongs to a person, whether tangible or intangible, and including exclusive and unrestricted rights.

REPRESENTATION: When intestate distribution is in equal shares to those equally related to the decedent.

TESTACY: The condition of having made and left a valid Will.

TRANSFER: To convey or give control of possession from one person to another.

WILL: A written instrument by which a person disposes of his property at his death, but which will not be effective unless executed in accordance with statutory provisions.

IS IT NECESSARY TO PREPARE A WILL?

It is important to prepare a Will to insure that your estate is transferred to those persons whom you wish to receive your property. A Will can also often aid a smooth and rapid settlement of your estate. In the event you do not prepare a Will, the law outlines the manner in which your property is to be distributed.

The **Probate Estate** is the assets owned solely by the decedent at the date of death, including:

- (1) real estate or tangible personal property located in West Virginia, whether the decedent was a resident or nonresident of this State at the time of death.
- (2) intangible personal property (such as bank accounts, stock, bonds, etc.) if the decedent resided in West Virginia, whether or not the intangible property is located in this State.

Example: An Ohio bank account of a West Virginia resident decedent is taxable in West Virginia.

The **Nonprobate Estate** is the assets in which the decedent had an interest, but not sole ownership, at the date of death. Included are the following assets:

- (1) any transfer intended to take effect in possession or enjoyment at or after the death of the decedent (life estate).
- (2) trusts and property payable to a beneficiary on the death of the decedent.
- (3) annuity payments, except those which receive special federal income tax treatment (qualified pension and retirement plans).
- (4) any transfer of a general power of appointment.
- (5) any property owned by the decedent as a joint tenant with right of survivorship.

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