

**140.222 Deferred payment of inheritance tax -- Interest -- Time and method of election to defer -- Liability for deferred payments.**

- (1) When the net tax due from a beneficiary's distributive share exceeds five thousand dollars (\$5,000), the beneficiary may elect to pay the inheritance tax in ten (10) equal installments. The first installment shall be due at the time the return is filed with succeeding payments due in annual installments beginning one (1) year after the return is filed.
- (2)
  - (a) For deaths prior to July 1, 2026, the portion of the tax deferred under this section shall be charged with interest at the tax interest rate as defined in KRS 131.010 commencing eighteen (18) months after the date of death.
  - (b) For deaths on or after July 1, 2026, the portion of the tax deferred under this section shall be charged with interest at the tax interest rate as defined in KRS 131.010 commencing twenty-four (24) months after the date of death.
- (3) When the beneficiary elects to pay the tax on the beneficiary's share as provided in this section, such election must be made in writing and signed by the beneficiary and must be filed with the Department of Revenue at the time of filing the tax return for the decedent's estate under KRS 140.160(3). The filing of the election together with payment of the first installment shall relieve the personal representative or trustee of the estate from further liability for the tax payments deferred under this section and the bond requirements of KRS 140.210, subject to the final approval by the Department of Revenue of all other taxes due under this chapter.
- (4) A beneficiary electing to defer the payment of taxes under this section shall be personally liable for the amount of deferred taxes until paid.
- (5) The period of limitations for actions to enforce the collection of taxes imposed by this chapter as provided by KRS 140.160(4) shall be suspended for the period of time for deferred payment granted by this section.

**Effective:** April 14, 2026

**History:** Amended 2026 Ky. Acts ch. 161, sec. 35, effective April 14, 2026. -- Amended 2005 Ky. Acts ch. 85, sec. 462, effective June 20, 2005. -- Amended 1982 Ky. Acts ch. 452, sec. 23, effective July 1, 1982. -- Created 1978 Ky. Acts ch. 233, sec. 7, effective June 17, 1978.