

1 AN ACT relating to inheritance tax deductions.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 140.090 is amended to read as follows:

4 (1) In calculating the value of the distributive shares the following deductions and no
5 others shall be allowed:

6 (a) Debts of the decedent, except debts secured by property not subject to the tax
7 jurisdiction of Kentucky, and except debts barred by the statute of
8 limitations;

9 (b) Taxes accrued and unpaid, except those on property not subject to the tax
10 jurisdiction of Kentucky;

11 (c) Death duties paid to foreign countries;

12 (d) Federal estate taxes, in the proportion which the net estate in Kentucky
13 subject to federal estate taxes bears to the total net estate everywhere subject
14 to federal estate taxes; all calculations are subject to approval by the
15 Department of Revenue;

16 (e) Drainage, street, or other special assessments due and unpaid which are a lien
17 on said property;

18 (f) Funeral, monument, and cemetery lot maintenance expenses actually paid not
19 exceeding in total:

20 1. Five thousand dollars (\$5,000) *for decedents with a date of death prior*
21 *to August 1, 2026; or*

22 2. *Ten thousand dollars (\$10,000) for decedents with a date of death on*
23 *or after August 1, 2026;*

24 (g) Commission of executors and administrators in the amount actually allowed
25 and paid; and

26 (h) Cost of administration, including attorney's fees actually allowed and paid.

27 (2) Notwithstanding[the provisions of] KRS 404.040, the debts of a deceased wife,

1 subject to the exception in subsection (1)(a), shall be allowed in calculating the
2 distributive shares of her estate for purposes of this chapter, provided such debts are
3 paid from the proceeds of her estate.