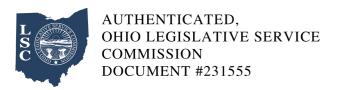


Ohio Revised Code Section 5731.25 Extensions.

Effective: July 24, 1986

Legislation: House Bill 139 - 116th General Assembly

- (A)(1) As used in this division, "undue hardship" means that any of the following applies:
- (a) There is difficulty in marshalling liquid assets of the gross estate that are located in several jurisdictions;
- (b) A substantial portion of the assets of the gross estate consists of rights to receive payments in the future, including, but not limited to, annuities, copyright royalties, contingent fees, and accounts receivable;
- (c) The size of the gross estate cannot be determined accurately because a claim to substantial assets of the decedent is subject to litigation;
- (d) Despite reasonable efforts to convert assets of the gross estate into cash, there are not sufficient liquid funds in the gross estate to pay the entire amount of an estate tax imposed by this chapter when it is due, to provide for the reasonable needs of the widow and dependent children of the decedent during the remaining period of the administration of the estate, and to pay claims against the estate that are due and payable;
- (e) A significant portion of the gross estate consists of a farm or a closely-held business, and there are not readily available, sufficient funds in the gross estate to pay an estate tax imposed by this chapter and any federal estate tax. For purposes of this division, funds shall not be considered readily available because the farm or closely-held business could be sold to persons who are not related by consanguinity or affinity to the decedent, at a price that equals the fair market value of the farm or closely-held business.
- (f) Assets in the gross estate that would have to be liquidated to pay an estate tax imposed by this chapter when due, only could be sold at a price that is considered a sacrifice price or only could be sold in a depressed market.



- (g) Other circumstances exist as specified by a rule of the tax commissioner. The tax commissioner may adopt rules that specify circumstances not described in divisions (A)(1)(a) to (f) of this section that he considers constitute undue hardship.
- (2) If an estate tax return is filed pursuant to this chapter and estate tax due, including a deficiency in tax, cannot be paid in whole or in part because of undue hardship to the estate or a person required to pay tax, the tax commissioner shall extend the time for payment of the tax or a portion of it for a period or periods, subject to the limitations set forth in this division. The maximum time of one period of extension shall be one year, and the maximum time of all periods of extension shall be fourteen years. The tax commissioner shall prescribe rules that govern extensions authorized by this division.
- (B) If the value of a reversionary or remainder interest in property is included under this chapter in the value of the gross estate, the payment of the part of the tax imposed by this chapter attributable to such interest may, at the election of the executor, administrator, or any other person liable for such tax, be postponed until six months after the termination of the precedent interest or interests in property. The amount, the payment of which is so postponed, shall bear interest at the rate of three per cent per annum from the date fixed for payment of the tax, which interest shall be paid by the person liable for the tax in addition to the tax. The postponement of such amount shall be under rules prescribed by the tax commissioner, and shall be upon condition that the executor, administrator, or any other person liable for the tax, gives bond to the county treasurer in such amount, and with such sureties as the tax commissioner considers necessary, conditioned upon the payment within six months after the termination of such precedent interest or interests of the amount, the payment of which is so postponed, together with interest on it, as provided in this division.