



**CHAPTER 3D  
ESTATE TAX**

The 2001 federal law also phased out the state pickup tax credit over a four-year period beginning in 2002. The credit was reduced by 25% in 2002, by 50% in 2003, by 75% in 2004, and was entirely eliminated in 2005. The impact on California of the reduction in the pickup tax is significant. The pickup tax remains for the generation skipping transfer tax; however, the revenue generated is not expected to be significant. Revenue collection estimates are based primarily upon projected receipts from estates with installment payment agreements in place.

**3. ADMINISTRATION**

The California estate tax is a self-assessed tax, administered by the State Controller's Office. The amount to be paid is equal to the maximum federal credit allowable, as calculated according to Federal Form 706. For deaths prior to 2005, a check in this amount and a state return, along with a copy of Federal Form 706, must be sent to the Controller's Office within nine months after the death of the deceased.

**4. CODE**

Revenue and Taxation Code Sections 13301-14302 and Sections 16700-16950