

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-A-85 (1)
Estate and Gift Taxes
March 27, 1985

STATE OF NEW YORK
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. M840807B

On August 8, 1984, a Petition for Advisory Opinion was received from Mr. Robert F. Hall, P.O. Box 67, Wykagyl Station, New Rochelle, New York 10804.

The issue raised is whether shares of stock of a corporation would be subject to the New York State estate tax or inheritance tax if the owner of such stock is not a resident of New York State at the time of his death.

Petitioner is the sole shareholder of a corporation which is organized and doing business in New York State. Petitioner currently resides in New York State but is contemplating a change of residence to another state.

Section 960 of the Tax Law imposes an estate tax on the transfer of the real and tangible personal property of a nonresident estate but only to the extent such property has an actual situs in New York State. Intangible personal property of a nonresident estate is not subject to estate tax under section 960 of the Tax Law.

Shares of stock of a corporation are considered to be intangible personal property. No distinction is made in this regard between the stock of a closely held corporation and stock traded on the open market.

Accordingly, if the Petitioner becomes a nonresident of New York State, his shares of stock of the New York corporation will not be subject to New York estate tax because such stock is considered to be intangible personal property.

Furthermore, New York State does not impose an inheritance tax.

DATED: March 27, 1985

FRANK J. PUCCIA
Director
Technical Services Bureau

Note: The opinions expressed in Advisory Opinions
are limited to the facts set forth herein.