

## CHAPTER 276.

[ H. B. 332. ]

## REVENUE AND TAXATION.

AN ACT relating to revenue and taxation; providing for the levying and collection of an excise tax on the privilege of transferring property by gift; and amending section 2, chapter 119, Laws of 1941 (section 11218-12, Rem. Supp. 1941).

*Be it enacted by the Legislature of the State of Washington:*

Amend-  
ments.

SECTION 1. Section 2, chapter 119, Laws of 1941 (section 11218-12, Rem. Supp. 1941), is amended to read as follows:

Gift tax.

Section 2. A gift tax shall be imposed on the aggregate total of all net gifts for each calendar year and all prior years subject to this act as follows: (1)

Rates of  
tax.

With respect to all gifts made prior to January 1, 1943, at the rates fixed by law on December 31, 1942, and (2) with respect to all gifts made on or after

Class A.

January 1, 1943, at the following rates: Class A. Any gift made to or for the use or benefit of a grandfather, grandmother, father, mother, husband, wife, child, or step-child, adopted child or lineal descendant of any adopted child, son-in-law, daughter-in-law, or any lineal descendant of the donor is hereby denominated as Class A. On any amount passing to Class A, the tax shall be ninety per cent (90%) of the amount of a tax computed at the following rates: On any amount up to and including \$25,000, 1%; on any amount in excess of \$25,000 up to and including \$50,000, 2%; on any amount in excess of \$50,000 up to and including \$75,000, 3%; on any amount in excess of \$75,000 up to and including \$100,000, 4%; on any amount in excess of \$100,000 up to and including \$200,000, 7%; on any amount in excess of \$200,000 up to and including \$500,000, 9%; on any amount in excess of \$500,000, 10%: *Provided,*

Exemption.

That there shall be exempt \$10,000 of any amount

passing to Class A, which exemption shall be taken from the first \$25,000.

Class B. Any gift made to or for the use or benefit of a brother or sister is denominated Class B. On any amount passing to Class B the tax shall be ninety per cent (90%) of the amount of a tax computed at the following rates: on any amount up to and including \$5,000, 3%; on any amount in excess of \$5,000 up to and including \$10,000, 4%; on any amount in excess of \$10,000 up to and including \$30,000, 7%; on any amount in excess of \$30,000 up to and including \$50,000, 10%; on any amount in excess of \$50,000 up to and including \$100,000, 15%; on any amount in excess of \$100,000, 20%: *Provided*, That there shall be exempt \$1,000 of any amount passing to Class B, which exemption shall be taken from the first \$5,000.

Class C. Any gift to or for the use or benefit of any person or body politic or corporate other than mentioned in Class A and Class B herein, is hereby denominated Class C. On any amount passing to Class C the tax shall be ninety per cent (90%) of the amount of tax computed at the following rates: on any amount up to and including \$10,000, 10%; on any amount in excess of \$10,000 up to and including \$25,000, 15%; on any amount in excess of \$25,000 up to and including \$50,000, 20%; on any amount in excess of \$50,000, 25%.

Any gift of any property or income therefrom passing in trust shall be classified and taxed in accordance with relationship of the *cestui que* trust.

In each calendar year a deduction shall be allowed from the gross tax as computed under this section in an amount equal to the total of all gift taxes previously paid to the State of Washington by the taxpayer on gifts subject to this act.

Passed the House February 27, 1943.

Passed the Senate March 9, 1943.

Approved by the Governor March 22, 1943.