

situated, as may be necessary to determine the damages which said owner of said land may suffer.”

Conflicting laws repealed.

SEC. 15. All laws and parts of laws in conflict herewith are hereby repealed.

Partial invalidity.

SEC. 16. If any part of this act shall be declared invalid by a court of competent jurisdiction, the remainder thereof shall be and remain in full force and effect.

Passed the House February 25, 1939.

Passed the Senate March 9, 1939.

Approved by the Governor March 17, 1939.

CHAPTER 202.

[H. B. 425.]

INHERITANCE TAX.

AN ACT relating to revenue and taxation; providing for the levy and collection of taxes on estates, gifts and transfers in contemplation or to take effect upon death, legacies, inheritances, bequests, devises and successions applicable to property whether held jointly or severally, and to insurance payable upon death; providing for certain exemptions; providing for the appointment and fixing compensation of appraisers; providing for a penalty for delinquency; providing for the application of the act to pending cases; providing for the amendment of sections 2, 12 and 13, chapter 55, Laws of 1901, as amended; section 1, chapter 93, Laws of 1905, as amended; section 8, chapter 55, Laws of 1917, as amended; section 4, chapter 146, Laws of 1917, as amended; section 95, chapter 156, Laws of 1917, as amended; sections 4, 7 and 9, chapter 134, Laws of 1931, as amended; sections 107 and 115, chapter 180, Laws of 1935; declaring an emergency and that this act shall take effect immediately.

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

SECTION 1. That section 2 of chapter 55 of the Laws of 1901, as amended (section 11202 of Remington's Revised Statutes (Sup.)); section 7030-166 of Pierce's Code), is amended to read as follows:

Amends
§ 11202 Rem.
Rev. Stat.
(Sup.);
§ 7030-166
P. C.

Section 2. An inheritance tax shall be imposed on all estates subject to this act and other inheritance tax acts of the State of Washington, at the following rates:

Inheritance
tax rates.

Class A. Any devise, bequest, legacy, gift or beneficial interest to any property or income therefrom which shall pass to any grandfather, grandmother, father, mother, husband, wife, child or step-child, adopted child, or lineal descendant of the deceased is hereby denominated as class A. On any amount passing to class A 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 \$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*, That except as otherwise provided by statute there shall be exempt \$10,000 of any amount passing to class A, which exemption shall include all allowances in lieu of homestead and all family allowances in excess of \$1,000 as allowed by section 104, chapter 180, Laws of 1935;

Class B. On any devise, bequest, legacy, gift, or beneficial interest to any property or income therefrom which shall pass to any sister or brother is denominated class B. On any amount passing to class B 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 except as otherwise provided by statute there shall be exempt \$1,000 of any amount passing to class B;

Class C. Any inheritance, devise, bequest, legacy, gift or beneficial interest to any property or income therefrom which shall pass to 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 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 devise, bequest, legacy, gift or beneficial interest to any property or income therefrom passing in trust shall be classified and taxed in accordance with the relationship of the *cestui que* trust.

The taxes imposed and the exemption with respect to each class of beneficiaries shall be apportioned between the beneficiaries in such class in proportion to the amount receivable by such beneficiary.

Amends
§ 11102a Rem.
Rev. Stat.
(Sup.);
§ 7030-168
P. C.

SEC. 2. That section 4 of chapter 134 of the Laws of 1931, as amended (section 11202a of Remington's Revised Statutes (Supp.); section 7030-168 of Pierce's Code), is amended to read as follows:

Exemption—
transfers
between
lineal de-
scendants.

Section 4. There shall be exempt an amount equal to the value of any property forming a part of the estate of any father, mother, husband, wife, lineal descendant, stepchild or adopted child who died within five (5) years prior to the death of the decedent where such property now passes from the decedent to any member of the same class: *Provided, however,* That this exemption only applies to transfers upon which an inheritance tax was paid in the estate of the first decedent, and where the property so transferred and taxed has increased in value, the increase in value shall be taxed.

Property exempted under this section must be identified as having been received from the first decedent or as having been acquired in exchange therefor, and the value of such property so exempted shall not be in excess of the value determined for the estate of the first decedent.

SEC. 3. That section 107 of chapter 180 of the Laws of 1935 (section 11202-1 of Remington's Revised Statutes; section 7030-167 of Pierce's Code), shall be amended by being divided into separate sections and shall read as follows:

Amends
§ 11202-1
Rem. Rev.
Stat.;
§ 7030-167
P. C.

Section 107a. All the powers of a referee of the superior court having jurisdiction of the estate of a decedent shall be vested in the Tax Commission and its supervisor shall have jurisdiction to require the attendance before him of the executor or administrator of said estate or any person interested therein or any other person whom he may have reason to believe possesses knowledge of the estate of said decedent or knowledge of any property transferred by said decedent within the meaning of this title or knowledge of any facts that will aid the supervisor or the court in the determination of said tax, but no person shall be required to attend at any place outside of the county in which such decedent resided at the time of his death or in which letters of administration could lawfully issue upon the estate of such decedent.

Powers of
Tax Com-
mission.

Section 107b. For the purpose of compelling the attendance of such person or persons, and for the purpose of appraising any property or interest subject to or liable for any inheritance tax hereunder, and for the purpose of determining the amount of tax due thereon, the Tax Commission through its supervisor is hereby authorized to issue subpoenas compelling the attendance of witnesses before said supervisor. The supervisor may examine and take evidence of such witnesses or of such executor or administrator or other person under oath concerning such property and the value thereof, and concerning the property or the estate of such decedent subject to probate. Any person or persons who shall be subpoenaed by the said supervisor to appear and testify or to produce books and papers, and who shall refuse

Appraise-
ment of
property.

and neglect to appear and produce books relative to such appraisal shall be guilty of contempt.

Supervisor
to file
findings with
clerk of
court.

Section 107c. Upon the completion of the investigation by the supervisor he shall file his findings with the Clerk of the Superior Court in the matter of the estate of the decedent, showing the value of the estate and the amount of inheritance tax chargeable against or a lien upon such interest, acquired by virtue of said probate proceedings or by any transfer within the meaning of this act, to any person, institution or corporation acquiring any property by virtue of said probate proceedings, or by any transfer within the meaning of this title, and shall find the total amount of tax due the State of Washington, which shall be a claim against the estate and a lien upon all the property of the estate until same is paid.

Notice of
filing report.

Section 107d. Upon filing said report the Clerk of said Superior Court shall on said day or the next succeeding judicial day give notice of such filing to all persons interested in such proceeding by causing notice thereof to be posted at the court house in the county where the court is held, and in addition thereto shall mail to all persons chargeable with any tax in said report, who have appeared in such proceedings, a copy of said notice.

Order
confirming
report.

Section 107e. At any time after the expiration of thirty days thereafter, if no objection to said report be filed, the said Superior Court or a judge thereof, shall, without further notice, give and make its order confirming said report and fixing the tax in accordance therewith.

Objections
filed.

Section 107f. At any time prior to the making of such order any person interested in such proceeding may file objections in writing with the Clerk of the Superior Court, and serve a copy thereof upon the supervisor, and the same shall be noted for trial before the court and a hearing had thereon as provided for hearings in probate matters.

Section 107g. Upon the hearing of said objections, the court shall make such order as to it may seem meet and proper in the premises: *Provided*, That for the purposes of said hearing the report of the supervisor shall be presumed to be correct and it shall be the duty of the objector or objectors to proceed in support of said objection or objections.

Hearing.

Section 107h. If it shall appear that any transfer has been made within the meaning of this title, and the taxability thereof and the liability for such tax and the amount thereof have not been determined and that no proceedings are pending in any court in this state wherein the taxability of such transfer and liability therefor and the amount thereof may be determined, the Tax Commission through its supervisor shall issue a citation ordering and directing the persons who may appear liable therefor or known to own any interest in or part of the property transferred to appear before the said supervisor or other duly authorized agent of the Tax Commission in any county in which, under the law, letters of administration could issue upon the estate of the decedent, at a time and place in said citation named not less than ten days nor more than thirty days from the issuance of such citation to be examined under oath by said supervisor or agent concerning property transferred and the character and value thereof.

Transfers—
taxability
and liability.

Section 107i. The said supervisor or agent at the time and place in said citation named, or at such time and place to which he may adjourn said hearing, shall proceed to examine said person or persons, and such witnesses as he may subpoena before him and for the purpose of said hearing, and for the purpose of ascertaining any facts concerning the taxability of said transfer or any taxes due on account of such transfer, said supervisor or agent shall have the powers of a Superior Court to issue subpoenas compelling the attendance of witnesses before him and to administer oaths and take the evidence of such

witnesses under oath concerning such property and the value thereof, and concerning such transfer. Said supervisor or agent shall enter his findings and conclusions in relation to said transfer and said tax, fix and determine the amount of inheritance tax, if any, due the State of Washington, and file his findings in which shall be set forth the amount of inheritance tax due the State of Washington, with the Clerk of the Superior Court of such county. The procedure subsequent to such filing shall conform with the procedure outlined in subdivision (d) of this section and shall have the same effect as provided in subdivision (e) herein and the same shall be a final determination of the tax, subject to such exception as is found in subdivisions (f) and (g) herein, and subject to such procedure as therein outlined.

Supervisor to determine tax liability.

Judgment.

Section 107j. Should the court determine that the property described in the findings is subject to the lien of the said tax and that said property has been transferred within the meaning of this title, the court shall afford affirmative relief to the state in said action and a judgment shall be rendered therein in favor of the state ascertaining and determining the amount of said tax, and the person or persons liable therefor and the property chargeable therewith or subject to lien therefor.

No fee nor bond required of state.

No fee shall be charged against the state, the Tax Commission or the supervisor by any officer in this state in any proceeding taken under this title, nor shall any bond or undertaking be required in any such proceeding.

The orders, decrees, and judgments, fixing tax or determining that no tax is due, shall have the force and effect of judgments in civil actions, and the state or any interested party may appeal to the Supreme Court.

Action to quiet title.

Section 107k. Actions may be brought against the state by any interested person for the purpose of quieting the title to any property against the lien

or claim of lien of any tax or taxes under this title, or for the purpose of having it determined that any property is not subject to any lien for taxes nor chargeable with any tax under this title. No such action shall be maintained where any proceedings are pending in any court or before the Tax Commission or the supervisor thereof in this state wherein the taxability of such transfer and the liability therefor and the amount thereof may be determined. All parties interested in said transfer and in the taxability thereof shall be made parties thereto and any interested person who refuses to join as plaintiff therein may be made a defendant. Summons for the state in said action shall be served upon the Tax Commission by delivering a copy thereof to the supervisor.

Upon the filing of the complaint the court shall enter an order directing the supervisor to hear said matter and to report to the court thereon, and shall direct notice of such time and place to be given for such hearing as the court shall deem proper, and shall refer said matter to said supervisor, who shall have all of the powers of a referee of said court, including the powers prescribed in subdivision (b) of this section. The procedure subsequent to said reference to said supervisor shall conform to the provisions of subdivisions (c), (d), (e), (f), and (g) of this section. Should the court determine that the property described in the complaint is subject to the lien of said tax and that said property has been transferred within the meaning of this title, the court shall grant affirmative relief to the state in said action and judgment shall be rendered therein in favor of the state, ascertaining and determining the amount of said tax and the person or persons liable therefor, and the property chargeable therewith or subject to lien therefor. If the court shall determine that such property or estate is not liable to be charged with any tax under the provision of this title, it shall

Hearing
before
supervisor.

Decree
quieting
title.

enter its decree quieting title to such property against any and all such taxes, and discharging such person or persons from liability therefor.

Federal
estate tax
valuation
adopted.

Section 107l. If after the values have been determined under the state statute for inheritance tax purposes, the same estate is valued under the Federal estate tax statute and the value of the property, or any portion thereof, fixed under the state statute as provided in section 5, chapter 134, Laws of 1931 (section 1120 2-B, Remington's Revised Statutes), and this valuation under the Federal estate tax is accepted by the estate either by agreement or through final determination in the Federal court, then in that event, the value as fixed under the state statute upon such property or portion thereof shall be increased to this amount for state inheritance tax purposes.

Exemptions
prorated,
when.

Section 107m. Where there is property belonging to decedent both within the State of Washington and without the State of Washington exemptions allowed under this title shall be prorated, and that portion allowed in the State of Washington shall be in that proportion that the value of the property within the State of Washington bears to all the property within and without the State of Washington. In order to secure an exemption where the property is thus situated, the representative must file with the inheritance tax division of the Tax Commission a certified copy of the inventory of all the properties without the State of Washington, and upon his failure so to do, no exemptions will be allowed in this state, whether there is property within this state or without this state.

Discharge of
executor
from liability
only when
decree of
distribution
entered.

Section 107n. An executor, administrator or trustee shall not be discharged from liability for such inheritance tax, nor shall a decree of distribution be entered, nor said estate, nor any part of said estate, be distributed until a receipt signed by the State Treasurer showing that the inheritance tax is

paid, or written waiver executed by the supervisor showing that the estate is not subject to inheritance tax, is filed with the Clerk of the Court, or the court having jurisdiction over such estate shall have determined as herein provided that such estate is not liable to pay an inheritance tax.

Section 107o. When it shall appear that a part or portion of decedent's estate is being administered upon in any other state or territory of the United States, no decree of distribution shall be signed by any court in this state until there has been a receipt filed with the Clerk of the Superior Court showing that the inheritance tax has been paid in full or that there is no tax due in the estates being administered without the State of Washington: *Provided, however,* That this section shall apply only to estates that are being administered in the territories or states of the United States having adopted a similar provision.

Property
outside
state.

Section 107p. It is further provided, that there shall be no exemption allowed where the decedent was not a resident of a territory or state of the United States, and the property of such decedent shall be taxable whether same is tangible or intangible property, including certificates of stock, bonds, bill, notes, bank deposits, and other written evidences of intangible property which are physically situated within the State of Washington, or where the domicile of the debtor is in the State of Washington.

Property
physically
present of
non-resident.

Section 107r. Whenever the supervisor shall have reasonable cause to believe that a tax is due under the provisions of this act, upon any transfer of any property, and that any person, firm, institution, company, association or corporation has possession, custody or control of any books, accounts, papers, or documents relating to or evidencing such transfer, the supervisor or his duly authorized agent, is hereby authorized and empowered to inspect the books, records, accounts, papers and documents of

Inspection of
records.

any such person, firm, institution, company, association or corporation, including the stock transfer book of any corporation, and to administer oaths to and examine any such person or any officer or agent of such firm, institution, company, association or corporation, for the purpose of acquiring any information deemed necessary or desirable by said supervisor or his assistants, for the proper enforcement of this act, and for the collection of the full amount of the tax which may be due the state hereunder. Any and all information and records acquired by said supervisor, or his assistants, shall be deemed and held by said supervisor and said supervisor's assistants and each of them, as confidential, and shall not be divulged, disclosed or made known by them or any of them except in so far as may be necessary for the enforcement of the provisions of this act. Any supervisor or assistant supervisor, or ex-supervisor or ex-assistant supervisor, or inheritance tax attorney, or ex-inheritance tax attorney, or assistant inheritance tax attorney, or ex-assistant inheritance tax attorney, who shall divulge, disclose, or make known any information acquired by such inspection and examination aforesaid, except in so far as the same may be necessary for the enforcement of the provisions of this act, shall be guilty of a gross misdemeanor.

Information
confidential.

Penalty for
divulging
information.

Refusal to
permit
inspection
of records.

Section 107s. An officer or agent of any firm, institution, company, association or corporation having or keeping an office within this state, who has in his custody or under his control any book, record, account, paper or document of such firm, institution, company, association or corporation, and any person having in his custody or under his control such book, record, account, paper or document who refuses to give to the supervisor, or said inheritance tax attorney, or any of said assistant inheritance tax attorneys, lawfully demanding as provided in this section,

during office hours to inspect or take a copy of the same, or any part thereof, for the purposes hereinabove provided, a reasonable opportunity so to do, shall be liable to a penalty of not less than one thousand dollars nor more than twenty thousand dollars, and in addition thereto shall be liable for the amount of the taxes, interest and penalties due under this act on such transfer, and the said penalties and liabilities for the violation of this section may be enforced in an action brought by the supervisor in any court of competent jurisdiction.

Penalty.

SEC. 4. That section 12 of chapter 55 of the Laws of 1901 as amended (section 11210 of Remington's Revised Statutes; section 7061 of Pierce's Code), is amended to read as follows:

Amends
§ 11210 Rem.
Rev. Stat.;
§ 7061 P. C.

Section 12. All taxes imposed by this act shall take effect and accrue upon the death of the decedent or donor. If such tax is not paid within fifteen months from the accruing thereof, interest shall be charged and collected at the rate of eight per centum per annum unless by reason of necessary litigation such tax cannot be determined and paid as herein provided, in which case interest at the rate of eight per centum per annum shall be charged upon such tax from and after the time the cause of such delay is removed: *Provided*, The minimum tax due in any event shall be paid within fifteen months from the accruing thereof. In all cases where a bond shall be given under the provisions of section 11205 interest shall be charged at the rate of eight per centum per annum from and after a period of sixty days from the time that the person or persons owning the beneficial interest come into the possession of same until the payment thereof.

Payment
of tax.

SEC. 5. That section 115 of chapter 180 of the Laws of 1935, (section 11211b, Remington's Revised Statutes (Supp.); section 7030-175 of Pierce's Code), is amended to read as follows:

Amends
§ 11211b Rem.
Rev. Stat.
(Supp.);
§ 7030-175
P. C.

Insurance payable upon death.

Section 115. Insurance payable upon the death of any person shall be deemed a part of the estate for the purpose of computing the inheritance tax and shall be taxable to the person, partnership, or corporation entitled thereto. Such insurance shall be taxable irrespective of the fact that the premiums of the policy have been paid by some person, partnership, or corporation other than the insured, or paid out of the income accruing from principal provided by the assured for such payment, whether such principal was donated in trust or otherwise: *Provided, however,* That there is exempt from the total amount of insurance receivable by all beneficiaries other than the executor, administrator or representative of the estate, regardless of the number of policies, the sum of forty thousand dollars and no more: *Provided, however,* That in the case of insurance upon the life of a decedent officer or employee of a corporation, payable to the corporation, or upon the life of a decedent, employee of or partner in a business enterprise, payable to one or more of the partners, where all the premiums upon such policy have been paid exclusively by such beneficiary, upon the death of the decedent, the amount only of the proceeds of the policy in excess of the cash surrender value immediately preceding the death of the decedent shall be deemed a part of the estate for the purpose of computing the inheritance tax, and taxed as provided in class A, section 1 of this title.

Insurance exemption.

Policies payable to corporation or partnership.

More than one beneficiary.

Where more than one beneficiary is entitled to the benefit of the provisions of this section exempting forty thousand dollars of the proceeds of insurance policies payable upon death, the benefit of such exemption shall be apportioned among such beneficiaries ratably and proportionately: *Provided,* That where there is fraternal benefit society insurance payable upon the death of the decedent and other insurance payable upon the death of the de-

cedent, the forty thousand dollars exemption shall first be taken from the fraternal benefit society insurance and if the same does not equal forty thousand dollars, then the balance of the forty thousand shall be prorated among other policies.

The inheritance tax upon the proceeds of any insurance policy shall be a lien upon the proceeds of such policy in the hands or possession of the estate of the deceased insured or in the hands or possession of any other beneficiary under such policy to whom such proceeds may have been paid: *Provided*, That when proceeds of insurance payable upon death, or receivable by a beneficiary other than the executor or representative, the executor or representative shall recover from such beneficiary the tax due upon such proceeds of such policy or policies. The supervisor shall have power to release such lien with respect to all or any part of such proceeds if he be satisfied that the collection of the tax will not thereby be jeopardized.

Lien upon proceeds.

Nothing in this act shall prevent the payment by any insurance company, association or society of the proceeds of any policy upon the death of a decedent to the person entitled thereto, except where prior to such payment the supervisor has notified the company that the state is claiming a lien thereon payment shall be deferred until the tax has been paid.

Notice to insurance company of lien.

SEC. 6. That section 8 of chapter 55 of the Laws of 1917, as amended (section 11205 Remington's Revised Statutes (Supp.); section 7030-172 of Pierce's Code), is amended to read as follows:

Amends § 11205 Rem. Rev. Stat. (Supp.); § 7030-172 P. C.

Section 8. When the estate of a deceased person shall be subject to an inheritance tax, and there be an annuity, life estate or an estate for a term of years given to one or more persons and the remainder to another or others, the entire estate shall be appraised as other estates are required to be appraised by the laws of this state. The value of the annuity, life or

Appraisal of annuities, life estates or estates for years.

term estate shall be determined according to the rules or standards of mortality and of value commonly used in actuaries' combined experience tables on the basis of four per cent annual interest, and the value of the remainder shall be determined by deducting the amount found to be the value of the annuity, life or term estate from the whole estate. After the values shall have been determined as provided in this section, the tax shall be computed and collected in the same manner that the tax on other estates is computed and collected: *Provided, however,* That any person or persons owning the beneficial interest in the remainder may defer the payment of the tax thereon until they come into possession of the same by filing in the office of the County Clerk within thirty (30) days after the determination of the tax, a good and sufficient surety bond to the State of Washington in a sum equal to the amount of the tax conditioned that they will pay such tax in full within sixty (60) days after coming into possession of the estate. Such bond shall not operate to defer payment of the tax unless it is approved by the supervisor, and if it shall appear to the supervisor at any time that a bond previously filed and approved has become insufficient he may require a new bond to be filed. If the person or persons owning the beneficial interest in the remainder shall fail to file a bond within the time herein provided, or if they shall fail to file a new bond when directed by the supervisor, the tax shall immediately become due and payable. The State Insurance Commissioner is hereby directed to obtain and publish for the use of courts and appraisers throughout the state tables showing the average expectancy of life and values of annuities and of life and term estates.

Payment of
tax deferred
upon filing
of surety
bond.

Amends
§ 11206 Rem.
Rev. Stat.;
§ 7057 P. C.

SEC. 7. That section 4 of chapter 146 of the Laws of 1917, as amended (section 11206 Remington's Re-

vised Statutes; section 7057 of Pierce's Code), is amended to read as follows:

Section 4. When property is transferred in trust or otherwise and the rights, interests or estates of the transferees are dependent upon contingencies or conditions whereby they may be wholly or in part created, defeated, extended or abridged, such property shall be appraised at its clear market value immediately upon the transfer or as soon thereafter as practicable and a tax shall be imposed upon such transfer at the highest rate which on the happening of any such contingencies or conditions would be probable under the provisions of this act and such tax so imposed shall be due and payable in the same manner as other taxes.

Trust estates.

Tax computed.

Where an estate for life or for years can be divested by the act or omission of the legatee or devisee, it shall be taxed as if there were no possibility of such divesting.

Estates for life.

SEC. 8. That section 95 of chapter 156 of the Laws of 1917, as amended (section 1465, Remington's Revised Statutes (Supp.); section 7030-183 of Pierce's Code), is amended to read as follows:

Amends § 1465 Rem. Rev. Stat. (Supp.); § 7030-183 P. C.

Section 95. Every executor, or administrator shall make and return upon oath, into the court, within one month after his appointment, a true inventory of all of the property of the estate which shall have come into his hands, and within thirty (30) days after filing such inventory he shall make application to the court to appoint three disinterested persons to appraise the property so inventoried, and it shall be the duty of the court to appoint such appraisers. Such appraisers shall receive as compensation for their service each an amount as to the court shall seem just and reasonable, not to exceed \$5.00 per day for the time spent in making such appraisement: *Provided*, That in all estates where an inheritance tax is payable, the court shall

Inventory of estate.

Appraisement.

fix the compensation of each appraiser at such an amount as the court may deem just and reasonable notwithstanding the foregoing limitation: *Provided further, however,* That in all estates over \$5,000 the appraiser recommended by the supervisor shall receive a fee of one-tenth of one per cent of the inventoried value of the estate and no more. If any part of the estate shall be in another county than that in which the letters are issued, appraisers residing in such county may be appointed by the court having jurisdiction of the case, or, if most advisable, the same appraisers may act: *Provided, however,* That the court may appoint persons to appraise the estate at the time or any time after the appointment of the administrator: *And provided further,* That where it is shown by the filing of such inventory, or other proof, to the satisfaction of the court, that the whole estate consists of personal property of less value than two hundred and fifty dollars (\$250) exclusive of moneys, drafts, checks, bonds, or other securities of fixed value, an appraisalment may be dispensed with in the discretion of the court.

Amends
§ 11211 Rem.
Rev. Stat.
(Sup.);
§ 7030-173
P. C.

SEC. 9. That section 13 of chapter 55 of the Laws of 1901, as amended, (section 11211, Remington's Revised Statutes, (Sup.)); section 7030-173 of Pierce's Code), is amended to read as follows:

Appoint-
ment of
appraisers.

Section 13. The Superior Court having jurisdiction, shall appoint three suitable, disinterested persons to appraise the estate and effects of deceased persons for inheritance tax purposes and subsequent sales shall not affect the value so used, and unless otherwise provided by order of the court, the appraisers appointed under the probate law to appraise the estate and effects of deceased persons, shall be and constitute the appraisers under the provisions of this act: *Provided, however,* That one of such appraisers shall be recommended by the supervisor, and appointed by the court as one of the three ap-

praisers. The three appraisers thus appointed to appraise the estate shall determine the value thereof. In the event the three appraisers cannot agree upon the value, then each appraiser shall file with the court his findings, and the court shall then fix a value for the appraisal and inheritance tax purposes. Any one may file exceptions with the court to the appraisal as found by the appraisers, which shall be heard and determined by the court having jurisdiction of the estate.

Court may fix value.

SEC. 10. That section 7 of chapter 134 of the Laws of 1931, as amended, (section 11211a, Remington's Revised Statutes (Supp.); section 7030-174 of Pierce's Code), is amended to read as follows:

Amends § 11211a Rem. Rev. Stat. (Supp.); § 7030-174 P. C.

Section 7. All real estate and the improvements thereon, of the estate of a deceased person, for the purposes of computing the inheritance tax, shall be valued and appraised at the fair market value thereof on the day of the death of the decedent owner thereof and subsequent sales shall not affect the value so used. The executor, administrator or trustee in preparing the inventory in all probate cases, shall insert at the right of each real estate tract, the assessed valuation of such tract and of the improvements thereon for the information of the appraisers and other interested parties.

Valuation and appraisal at market value.

SEC. 11. That section 1 of chapter 93 of the Laws of 1905, as amended (Remington's Revised Statutes, section 11218; section 7052 of Pierce's Code), is amended to read as follows:

Amends § 11218 Rem. Rev. Stat.; § 7052 P. C.

Section 1. All gifts, bequests, devises and transfers of property situated within or under the jurisdiction of the State of Washington shall be exempt from the payment of any inheritance tax, when the same are for one of the following charitable purposes, namely, the relief of the aged, indigent and poor people, maintenance of sick or maimed, the support or education of orphans or indigent children,

Exemption of certain charitable bequests.

and all gifts, bequests, devises and transfers of property made to the State of Washington, or to any county, incorporated city or town or school district therein, or to any public park or playground within the State of Washington, whether municipal or otherwise, and all gifts, bequests, devises, and transfers made to any municipal corporation within the State of Washington for eleemosynary, charitable, educational or philanthropic purposes, and all gifts, bequests, devises and transfers made to schools and colleges in the state supported in whole or in part by gifts, endowments or charity, the entire income of which said school or college, after paying the expenses thereof, is devoted to the purposes of such institution and which is open to all persons upon equal terms, and any property in this state which has been given, devised, bequeathed or transferred for such purposes, and upon which a state inheritance tax is claimed or is owing is hereby declared to be exempt from the payment for such tax: *Provided*, That all such gifts, bequests, devises and transfers be limited for use within the State of Washington: *Provided further*, That all such gifts, bequests, devises and transfers of property for such purposes which pass out of the State of Washington to a corporation, society, institution or association organized or existing under the laws of a territory or state of the United States (other than Washington) shall be exempt if at the date of decedent's death the said state or territory under the laws of which such corporation, society, institution or association was organized or existing did not impose a legacy of succession tax or a death tax of any character in respect of property transferred for such purposes to a corporation, society, institution or association organized or existing under the laws of this state, or if at the date of decedent's death the laws of the state or territory under which such corporation, society, institution or association organized or existing contained a recipro-

Bequests
limited to
use in state.

Reciprocal
exemption.

cal provision under which a transfer for such purpose to a corporation, society, institution or association organized or existing under the laws of another state or territory were exempted from legacy or succession taxes or death taxes of every character if such other state or territory allowed a similar exemption for such purpose to such a corporation, society, institution or association organized or existing under the laws of another state or territory.

SEC. 12. That section 9 of chapter 134 of the Laws of 1931, (Remington's Revised Statutes, section 11218-1; section 7052-1 of Pierce's Code), is amended to read as follows:

Amends
§ 11218-1
Rem. Rev.
Stat.;
§ 7052-1 P. C.

Section 9. All gifts, bequests, devises and transfers made to or for the use of (a) any religious or non-sectarian organization or association, organized and conducted primarily and chiefly for religious purposes and not for profit, where such religious or non-sectarian organization or association is supported in whole or in part by gifts, endowments or charity, and where the entire income of such religious or non-sectarian organization or association, after paying the expenses thereof, is devoted wholly to the use of such organization or association, or for the educational, benevolent, protective or social departments growing out of, or related to, the religious work of such organization or association, (b) any corporation or association organized and existing under the laws of the State of Washington primarily and chiefly for educational, artistic or scientific purposes and for the maintenance and exhibition of scientific, artistic or historical collections for the benefit of the general public and not for profit, shall be exempt from the payment of an inheritance tax: *Provided*, That all such gifts, bequests, devises and transfers be limited for use within the State of Washington: *Provided further*, That all such gifts, bequests, devises and transfers of property to such religious or non-

Exemptions
—bequests
for religious
purposes.

Use in State.

Reciprocal
exemption.

sectarian organization or association which pass out of the State of Washington to such religious or non-sectarian organization or association organized or existing or hereafter organized under the laws of a territory or state of the United States (other than Washington) shall be exempt if at the date of decedent's death the said state or territory under the laws of which such religious or non-sectarian organization or association was organized or existing did not impose a legacy or succession tax or a death tax of any character in respect of property transferred to such a religious or non-sectarian organization or association organized or existing under the laws of this state, or if at the date of decedent's death the laws of the state or territory under which such religious or non-sectarian organization or association was organized or existing contained a reciprocal provision under which a transfer to such a religious or non-sectarian organization or association organized or existing under the laws of another state or territory were exempted from legacy or succession taxes or death taxes of every character if such other state or territory allowed a similar exemption to such a religious or non-sectarian organization or association organized or existing under the laws of another state or territory.

Provisions
apply to
cases
pending.

SEC. 13. The provisions of this title shall apply to all inheritance tax cases pending at the time this act takes effect.

Effective
date.

SEC. 14. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately upon its approval.

Passed the House March 7, 1939.

Passed the Senate March 6, 1939.

Approved by the Governor March 17, 1939.