

deposit of state funds, in at least the full amount of the deposit in each depository bank. Monies shall be paid from the surplus property purchase revolving fund by voucher and check in such form and in such manner as shall be prescribed by the Director.

SEC. 7. The Director of Finance, Budget and Business shall have power to promulgate such rules and regulations as may be necessary to effectuate the purposes of this act. Rules and regulations.

SEC. 8. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the Senate March 3, 1945.

Passed the House March 7, 1945.

Approved by the Governor March 15, 1945.

CHAPTER 206.

[S. B. 332.]

EXCISE TAX—TRANSFER OF PROPERTY BY GIFT.

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, as amended by section 1, chapter 276, Laws of 1943 (section 11218-12, Rem. Supp. 1943, also Pierce's Perpetual Code 973-3), and section 4, chapter 119, Laws of 1941 (section 11218-14, Rem. Supp. 1941, also Pierce's Perpetual Code 973-7).

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

SECTION 1. Section 2, chapter 119, Laws of 1941, as amended by section 1, chapter 276, Laws of 1943 (section 11218-12, Rem. Supp. 1943, also Pierce's Perpetual Code 973-3), is amended to read as follows: Amendment.

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) With respect to all gifts made prior to Gift tax.

Gifts to
relatives.

January 1, 1943, at the rates fixed by law on December 31, 1942, and (2) with respect to all gifts made on or after 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, step-child or lineal descendant of a step-child, adopted child, son-in-law, daughter-in-law, lineal descendant of the donor, or adopted child of the 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*, That there shall be exempt \$10,000 of any amount passing to Class A, which exemption shall be taken from the first \$25,000.

Amount.

Tax.

Sisters and
brothers.

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.

Amount.

Tax.

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%.

Other gifts.

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.

Deductions.

SEC. 2. Section 4, chapter 119, Laws of 1941 (section 11218-14, Rem. Supp. 1941, also Pierce's Perpetual Code 973-7), is amended to read as follows:

Amendment.

Section 4. (a) The term "net gifts" means the total amount of gifts made during the calendar year, less the deductions provided in (section 11218-15, Remington's Revised Statutes) section 5;

Net gifts.

(b) In the case of gifts, other than of future interests in property, made to any person by the donor during any calendar year, the first three thousand (\$3,000) dollars of such gifts to such person or body politic or corporate shall not, for the purpose of this act, be included in the total amount of gifts made during such year.

Amount exempted.

Passed the Senate March 3, 1945.

Passed the House March 7, 1945.

Approved by the Governor March 15, 1945.