

Director of
Labor and
Industries
may require
protective
devices.

Provided, however, That the director of labor and industries of Washington shall have power, upon reasonable notice, to order and require the erection of all guards, protective devices, and methods of protection which in the judgment of the director are necessary and should be constructed previous to the expiration of the time fixed in this section: *Provided, further,* That nothing in this act shall apply to manholes already constructed, except the provisions for guards, sanitary conditions, drainage and safety appliances specified in rules 20, 24, 26, 29, 30, 31 and 32.

Passed the Senate February 23, 1937.

Passed the House March 7, 1937.

Approved by the Governor March 13, 1937.

CHAPTER 106.

[S. B. 36.]

INHERITANCE TAX.

AN ACT relating to the levy and collection of taxes on inheritances, prescribing the lien of such tax, providing a method of freeing certain assets from such lien, and amending section 104, chapter 180, Session Laws of 1935.

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

Amends
Ch. 180, § 104,
Laws 1935.

SECTION 1. That section 104 of chapter 180, Session Laws of 1935 be amended to read as follows:

Section 104. That section 1 of chapter 55 of the Laws of 1901, as amended (section 11201, Remington's Revised Statutes), is amended to read as follows:

Property
subject to
inheritance
tax.

Section 1. All property within the jurisdiction of this state, and any interest therein, whether belonging to the inhabitants of this state or not, and whether tangible or intangible, which shall pass by will or by the statutes of inheritance of this or any

other state; or by deed, grant, sale or gift made in contemplation of the death of the grantor or donor, or by deed, grant or sale or gift made or intended to take effect in possession or in enjoyment after death of the grantor or donor, or by deed, grant or sale or gift made or intended to take effect in possession or in enjoyment after the death of the grantor or donor to any person in trust or otherwise, shall, for the use of the state, be subject to a tax as provided for in section 2, after the payment of all debts owing by the decedent at the time of his death, the local and state taxes due from the estate prior to his death, and a reasonable sum for funeral expenses, monument or crypt, court costs, including cost of appraisement made for the purpose of assessing the inheritance tax, the fees of executors, administrators or trustees, reasonable attorney's fees, and family allowance not to exceed \$1,000.00, and no other sum, but said debt shall not be deducted unless the same are allowed or established within the time provided by law, and all administrators, executors, and trustees, and any such grantee under a conveyance, and any such donee under a gift, made during the grantor's or donor's life, shall be respectively liable for all such taxes to be paid by them, with interest as hereinafter provided until the same shall have been paid, and whenever property real or personal, other than real property held by the entirety, is held in the joint names of two or more persons, or deposited in banks or other institutions or depositories in the joint names of two or more persons and payable to either or the survivor, upon the death of one of such persons the right of the surviving joint tenants, person or persons to the immediate ownership or possession and enjoyment of such property shall be deemed a transfer taxable under the provisions of this act in the same manner as though the whole property to which such transfer

relates belonged absolutely to the deceased joint tenant or joint depositor and had been devised or bequeathed to the surviving joint tenant or tenants, person or persons, by such deceased joint tenant or joint depositor by will, expecting [excepting] therefrom such parts thereof as may be shown to have originally belonged to such surviving joint tenant, joint depositor or person, and never to have been acquired from the decedent for less than a fair consideration in money or money's worth, and if said property shall have been acquired from decedent for less than such fair consideration, there shall be excepted from the value of said property a portion equal to the amount of the consideration so furnished.

Inheritance
tax lien
upon estate.

The inheritance tax shall be and remain a lien on such estate from the death of the decedent until paid: *Provided, That,*

Lien
transferred
to proceeds
from sale
of estate.

(a) Such part of the gross estate as is sold, pursuant to an order of the court for the payment of charges against the estate and the expenses of its administration, shall be divested of such lien and such lien shall be transferred to the proceeds. A mortgage on property pursuant to an order of court for payment of charges against the estate and expenses of administration shall constitute a lien upon said property prior and superior to the inheritance tax lien which inheritance tax lien shall attach to the proceeds. If the supervisor of the inheritance tax and escheat division is satisfied that the tax liability of an estate has been provided for or will be provided for he may issue his certificate releasing any property of such estate from the lien herein imposed;

Liability
for tax.

(b) If (1) except in the case of a *bona fide* sale for an adequate and full consideration in money or money's worth, the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoy-

ment at or after his death, or makes a transfer, by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (A) the possession or enjoyment of, or the right to the income from, the property, or (B) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom, or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a *bona fide* purchaser for an adequate and full consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a *bona fide* purchaser for an adequate and full consideration in money or money's worth.

Passed the Senate February 20, 1937.

Passed the House March 8, 1937.

Approved by the Governor March 13, 1937.