

NOTE: Whether or not this measure becomes effective law will depend upon outcome of Referendum Measure No. 30.

## CHAPTER 280.

[ H. B. 727. ]

## INHERITANCE TAXES—INSURANCE.

AN ACT relating to revenue and taxation; and amending section 115, chapter 180, Laws of 1935 as amended by section 5, chapter 202, Laws of 1939 and RCW 83.16.080; repealing section 1, chapter 134, Laws of 1931 as amended by section 2, chapter 184, Laws of 1945 and RCW 83.40.050.

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

SECTION 1. The recent growth of this state has created added responsibilities upon government. In order to meet such increased burdens, taxes are imposed as provided in this act.

Declaration,  
purpose.

SEC. 2. Section 115, chapter 180, Laws of 1935 as amended by section 5, chapter 202, Laws of 1939 and RCW 83.16.080 are each amended to read as follows:

RCW 83.16.080  
amended.

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 entitled thereto. Such insurance shall be taxable irrespective of the fact that the premiums of the policy have been paid by some person 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.

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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 beneficiary under such policy to whom such proceeds may have been paid: *Provided*, That when proceeds of insurance payable upon death, are receivable by a beneficiary other than the executor or representative, the executor or representative shall recover from such beneficiary the tax due upon such

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proceeds of such policy or policies. The tax commission shall have power to release such lien with respect to all or any part of such proceeds if it is satisfied that the collection of the tax will not thereby be jeopardized.

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

Repeal.

SEC. 3. Section 1, chapter 134, Laws of 1931 as amended by section 2, chapter 184, Laws of 1945 and RCW 83.40.050, are each hereby repealed.

Note: See also section 1, chapter 285, Laws of 1957.

Passed the House March 14, 1957.

Passed the Senate March 14, 1957.

Approved by the Governor March 26, 1957.

CHAPTER 281.

[ S. B. 171. ]

SCHOOL DIRECTORS' ASSOCIATION—DUES.

AN ACT relating to payment of dues to the Washington state school directors' association; and amending section 1, chapter 226, Laws of 1953 and RCW 28.58.360.

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

RCW 28.58.360 amended.

SECTION 1. Section 1, chapter 226, Laws of 1953 and RCW 28.58.360 are each amended to read as follows:

Association dues—Payment.

The school directors' association may establish a schedule of dues for members of the association. Dues shall be established for the directors of each district as a group and shall not be in excess of thirty dollars per year for each district employing not more