

missioners shall cause the amount of such local improvement assessments to be paid to the city as other claims and charges against such metropolitan park district are paid.

Passed the House February 25, 1929.

Passed the Senate March 11, 1929.

Approved by the Governor March 22, 1929.

CHAPTER 205.

[H. B. 380.]

INHERITANCE TAX.

AN ACT relating to taxation of inheritances and ascertaining, determining and collecting of such tax, and providing certain transfers to be in contemplation of death, and amending Sections 11202, 11206, 11211 and 11216 of Remington's Compiled Statutes, and adding to Section 11216 of Remington's Compiled Statutes a new section to be known as Section 11216-A, and adding to Section 11201 of Remington's Compiled Statutes a new section to be known as Section 11201-A, providing a penalty for practicing a fraud upon the State of Washington relating to the ascertainment, determination and collection of inheritance taxes.

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

SECTION 1. That section 11202 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 11202,
Rem. Comp.
Stat.

Section 11202. The inheritance tax shall be imposed on all estates subject to the operation of this and other inheritance tax acts of the State of Washington, at the following rates:

If passing to or for the use of a father, mother, husband, wife, lineal descendant, adopted child or lineal descendant of an adopted child, the tax shall be one per centum of any value not exceeding fifty thousand dollars; two per centum of any value in excess of fifty thousand dollars and not exceeding one hundred thousand dollars; three per centum of any

Rate,
schedule.

\$10,000
exemption.

Parents
deceased,
child
survives,
\$10,000
exemption.

value in excess of one hundred thousand dollars and not exceeding one hundred fifty thousand dollars; four per centum of any value in excess of one hundred fifty thousand dollars and not exceeding two hundred thousand dollars; five per centum of any value in excess of two hundred thousand dollars. A son-in-law, or a daughter-in-law, being in such relation, shall be taxed at the same rate as a son or a daughter: *Provided, however,* That in the above cases, ten thousand dollars of the net value of any estate shall be exempt from such tax, to the survivor, and to the father or mother and five thousand dollars shall be exempt to each minor, lineal descendant, step-child or adopted child, and three thousand dollars shall be exempt to each adult, lineal descendant: *Provided, however,* That where both parents are deceased and only one child, adopted child, or step-child survives, there shall be exempt from the estate passing to such child, adopted child, or step-child, the sum of ten thousand dollars.

If passing to or for the use of a sister, brother, uncle, aunt, nephew or niece, the tax shall be three per centum of any value not exceeding fifty thousand dollars; six per centum of any value in excess of fifty thousand dollars, and not exceeding one hundred thousand dollars; eight per centum of any value in excess of one hundred thousand dollars and not exceeding one hundred fifty thousand dollars; ten per centum of any value in excess of one hundred fifty thousand dollars and not exceeding two hundred thousand dollars; twelve per centum of any value in excess of two hundred thousand dollars.

Collateral
heirs.

If passing to or for the use of collateral heirs beyond the third degree of relationship or to strangers to the blood, the tax shall be ten per centum of any value not exceeding fifty thousand dollars; twelve per centum of any value in excess of fifty thousand dollars and not exceeding one hundred thousand

dollars; fifteen per centum of any value in excess of one hundred thousand dollars and not exceeding one hundred fifty thousand dollars; twenty per centum of any value in excess of one hundred fifty thousand dollars and not exceeding two hundred thousand dollars; twenty-five per centum of any value in excess of two hundred thousand dollars.

SEC. 2. That section 11206 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 11206,
Rem. Comp.
Stat.

Section 11206. 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 of said 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: *Provided*, That if such tax, so determined, appears to be excessive, the matter may be submitted to the court for determination and adjustment: *Provided further, however*, Where such tax is not so determined by the court, that on the happening of any contingency or condition whereby the said property or any part thereof is transferred to a person or corporation which, under the provisions of this act is required to pay a tax at a lower rate than the tax imposed then such transferee shall recover from the State of Washington the difference between the tax imposed and the tax at the lower rate.

Trust
transfers
of property.

Estates in expectancy which are contingent or defeasible and in which proceedings for determination of the tax have not been taken or where the taxation thereof has been held in abeyance shall be

Estates in
expectancy

appraised at their full undiminished clear value when the persons entitled thereto shall come into the beneficial enjoyment or possession thereof without diminution for or on account of any valuation theretofore made of the particular estates for purposes of taxation upon which said estates in expectancy may have been limited. 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.

Amends
§ 11211,
Rem. Comp.
Stat.

SEC. 3. That section 11211 of Remington's Compiled Statutes be amended to read as follows:

Appraisers.

Section 11211. 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 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 in all class A, 1st, 2nd and 3rd class counties, one of such appraisers, in either case, shall be recommended by the supervisor of the inheritance tax and escheat division, and appointed by the court as one of the three appraisers, and shall receive a like compensation as each of the other appraisers. The supervisor of the inheritance tax and escheat division or any person interested in the estate appraised, may file exceptions to the appraisement, which shall be heard and determined by the court having jurisdiction in probate of the estate involved. If, upon the hearing, the court finds the amount at which the property is appraised is its market value and the appraisement was fairly and in good faith made, it shall approve such appraisement; but if it finds that the appraisement was made at a greater or less sum than the market value of the property, or that the

Class A,
1st, 2nd and
3rd class
counties,
appraiser
recom-
mended by
supervisor.

Exceptions
to appraisal.

Hearing.

same was not fairly or in good faith made, it shall set aside the appraisement and determine such value. The supervisor of the inheritance tax and escheat division, or any one interested in the property appraised, may appeal to the supreme court from the order of the superior court in the premises.

Appeals to
supreme
court.

SEC. 4. That section 11216 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 11216 of
Rem. Comp.
Stat.

Section 11216. When any person dies leaving property within the jurisdiction of the State of Washington, which shall pass 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, 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, and there has been no application for letters of administration of the estate of such deceased person, or when administration of any estate has been completed without an adjudication of the inheritance tax, the liability of such property for the payment of an inheritance tax may be determined without administration in the manner hereinafter provided.

No probate
on estate.

When any person interested in such property shall deem the same not subject to an inheritance tax, or when he admits the liability for such tax but desires to adjust the same, he may file a petition in the superior court of the proper county to determine the questions arising under the inheritance tax statutes. Such petition shall contain the name and date of death of decedent, the description and estimated value of all property involved, the names and places of residence of all persons interested in the same, and such other facts as are necessary to give the court jurisdiction. The court shall thereupon set a day for hearing said petition and a copy thereof, together with a notice of the time and place of such

Petition for
adjudication
filed with
court.

hearing, shall be served by the petitioner or his attorney upon the supervisor of the inheritance tax and escheat division and on each person interested in said property at least twenty days before the date of hearing, if served personally, and if served by publication the service shall be the same as the service of summons by publication in civil actions.

Hearing.

The court shall hear said matter upon the relation of the parties, the testimony of witnesses and evidence produced in open court, and, if it shall be found that the property is not subject to any tax, the court shall make and enter an order determining that fact; but, if it shall appear that the whole or any part of said property is subject to a tax, the same shall be appraised and the tax levied and collected as in other cases. An adjudication by the superior court, as herein provided, shall be conclusive as to the lien of said tax, subject to the right of appeal to the supreme court allowed by the laws of the state.

Tax adjusted without probate.

In any case where the inheritance tax will not exceed three hundred dollars, the supervisor of inheritance tax and escheat division may compromise such tax and issue a satisfaction therefor, without probate proceedings, where the necessary facts are furnished and filed by affidavit, but such release shall be only as to the assets of the estate shown and disclosed by such proceedings.

Adds Section 11201-A to Rem. Comp. Stat.

SEC. 5. That section 11201 of Remington's Compiled Statutes be amended by adding thereto a new section to be known as section 11201-A to read as follows:

Transfer without consideration deemed in contemplation of death.

Section 11201-A. Any transfer of property made by a decedent by deed, grant, sale or gift within two years prior to said decedent's death, without a valid and adequate consideration therefor, shall be presumed to have been made in contemplation of death.

SEC. 6. That section 11216 of Remington's Compiled Statutes be amended by adding thereto a new section to be known as section 11216-A, to read as follows:

Adds Section 11216-A to Rem. Comp. Stat.

Section 11216-A. Any person or persons found guilty of practicing a fraud upon the State of Washington relating to the ascertainment, determination and collection of inheritance taxes, by misrepresentation of facts, or concealment of facts, and any person or persons who assist therein, either as principal, agent or accessory, either before or after the fact, shall be deemed guilty of a gross misdemeanor and upon conviction thereof be punished accordingly.

Fraudulent practices, gross misdemeanor.

SEC. 7. The foregoing provisions in this act shall apply to all cases pending in the inheritance tax and escheat division at the time this act takes effect.

Act not retroactive.

SEC. 8. That in case this act or any part thereof shall be held unconstitutional, such holding shall only apply to this act or a part thereof and shall not apply to any other act.

If unconstitutional in part, balance not affected.

Passed the House March 14, 1929.

Passed the Senate March 12, 1929.

Approved by the Governor March 22, 1929.