

pensation for services and expenses as provided for members of the Columbia Basin commission.

SEC. 5. For the purpose of administering this act there is hereby appropriated from the general fund the sum of sixty thousand dollars. Appropriation.

SEC. 6. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately. Emergency.

Passed the Senate March 9, 1957.

Passed the House March 12, 1957.

Approved by the Governor March 26, 1957.

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## CHAPTER 285.

[ S. B. 314. ]

### INHERITANCE AND GIFT TAXES.

AN ACT relating to inheritance taxes and gift taxes, and amending section 2, chapter 184, Laws of 1945 and RCW 83.40.050; section 10, chapter 202, Laws of 1939 and RCW 83.16.010; section 7, chapter 119, Laws of 1941 and RCW 83.56.090; section 9, chapter 119, Laws of 1941 and RCW 83.56.110.

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

SECTION 1. Section 2, chapter 184, Laws of 1945 and RCW 83.40.050 are each amended to read as follows:

In all estates the amount of the federal estate tax, as paid by the estate, shall be deducted as a claim or indebtedness first against the residuary estate for inheritance tax purposes regardless of any provision in the will to the contrary: *Provided*, That where there is property belonging to decedent both within and without the state of Washington the amount of federal estate tax deductible shall be the proportionate part thereof that the value of the Vetoed.

Vetoed. } property having a taxable situs within this state  
 bears to all of the property within and without this  
 state.

Note: See also section 3, chapter 280, Laws of 1957.

RCW 83.16.010 amended.

SEC. 2. Section 10, chapter 202, Laws of 1939 and RCW 83.16.010 are each amended to read as follows:

Inheritance tax and gift taxes  
 —Valuations, credits, exemptions.  
 Real estate appraised at market value.

All property 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.

RCW 83.56.090 amended.

SEC. 3. Section 7, chapter 119, Laws of 1941 and RCW 83.56.090 are each amended to read as follows:

Gift taxes  
 —Returns—  
 Date of filing.

Any individual who within any calendar year makes any transfers by gift (except those which are not to be included in the total amount of gifts for such year) shall make a return under oath which shall set forth such information as is required by the tax commission.

The return shall be filed with the tax commission of the state of Washington on or before the fifteenth day of April following the close of the calendar year in which the gift is made.

RCW 83.56.110 amended.

SEC. 4. Section 9, chapter 119, Laws of 1941 and RCW 83.56.110 are each amended to read as follows:

Payment of tax  
 —Disposition of revenue.

The tax imposed by this chapter shall be paid by the donor to the tax commission on or before the fifteenth day of April following the close of the calendar year in which the gift is made.

All moneys paid to the tax commission under this chapter shall forthwith be transmitted to the state treasurer and credited to the general fund.

Passed the Senate March 5, 1957.

Passed the House March 12, 1957.

Approved by the Governor March 26, 1957, with the exception of section 1, which is vetoed.

Note: Excerpt of Governor's veto message reads as follows:

"I have signed into law House Bill No. 727. Section 3 of House Bill No. 727 repeals outright section 2, chapter 184, Laws of 1945 and RCW 83.40.050 sought to be amended by section 1 of Senate Bill No. 314. The section vetoed herein seeks to resolve difficulties incident to the deduction of federal estate taxes against inheritance taxes of the state of Washington. Since House Bill No. 727 will no longer permit the deduction of federal estate taxes against inheritance taxes imposed by the state of Washington, the problem sought to be resolved by section 1 of Senate Bill No. 314 no longer exists. For this reason section 1 is vetoed and the remainder is approved."

Veto message, excerpt from.

## CHAPTER 286.

[ S. B. 332. ]

### UNFAIR CIGARETTE SALES ACT.

AN ACT relating to prevention of unfair competition and unfair trade practices in the sale of cigarettes, to be known as the unfair cigarette sales act; prohibiting sales of cigarettes below cost; defining cost; licensing persons engaged in the sale of cigarettes; conferring powers and imposing duties on the tax commission and on persons engaged in the sale of cigarettes at retail or wholesale; providing remedies and imposing penalties.

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

SECTION 1. When used in this act, the following words and phrases shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning: Definitions.

(1) "Person" means and includes any individual, firm, association, company, partnership, corporation, joint stock company, club, agency, syndicate, municipal corporation, or other political subdivision of this state, trust, receiver, trustee, fiduciary and conservator. "Person."

(2) "Wholesaler" includes any person who: "Wholesaler."

(a) Purchases cigarettes directly from the manufacturer, or