

Cancellation upon failure to comply.

chaser shall also be required to make a cash deposit equal to twenty per cent (20%) of the estimated value of the timber purchased, computed at the stumpage bid. Upon failure of the purchaser to comply with the terms of the contract, the performance bond or sureties may be forfeited to the state upon order of the Forest Board or the Commissioner of Public Lands.

Timber cut not to exceed deposit.

At no time shall the amount due the state for timber actually cut and removed exceed the amount of the deposit as hereinabove set forth. The amount of the deposit shall be returned to the purchaser upon completion and full compliance with the contract by the purchaser, or it may, at the discretion of the purchaser, be applied on final payment on the contract.

Passed the Senate March 3, 1941.

Passed the House March 12, 1941.

Approved by the Governor March 21, 1941.

CHAPTER 124.

[S. B. 288.]

CREDITS ON INHERITANCE TAXES FOR GIFT TAXES.

AN ACT relating to revenue and taxation; providing for credits on inheritance taxes where gift taxes have been paid; providing for exemptions; providing for application of section 1 to pending cases; providing for the amendment of chapter 180 of the Laws of 1935, as amended, by adding thereto new sections to be known as section 104 (a) and section 106 (a); declaring an emergency and that this act shall take effect immediately.

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

Amendment by addition.

SECTION 1. Chapter 180 of the Laws of 1935, as amended, is amended by adding a new section to be known as section 104 (a) to read as follows:

Section 104. (a) Nothing in this act shall be construed as imposing a tax upon any transfer, as de-

fined in this act, of intangibles, however used or held, whether in trust or otherwise, by any person, or by reason of the death of any person who at the time of his death was domiciled in a territory or state of the United States other than the State of Washington. The provisions of this section shall apply to all cases subject to the provisions thereof, whether the death occurred prior to the passage of this act or subsequent thereto.

Act not to apply to non-residents.

SEC. 2. Chapter 180 of the Laws of 1935, as amended, is amended by adding a new section to be known as section 106 (a) to read as follows:

Amendment by addition.

Section 106. (a) In case any gift tax has been imposed upon any gift by the State of Washington under any gift tax act, and the property which was the subject of the gift is required to be included, upon the death of the donor, as a part of his estate, then there shall be credited against and applied in reduction of the inheritance taxes which would otherwise be chargeable against the heirs and the estate of such decedent an amount equal to the principal of the tax paid with respect to such gift.

Gift tax to be credited upon inheritance tax.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately upon its approval.

Effective immediately.

Passed the Senate February 27, 1941.

Passed the House March 12, 1941.

Approved by the Governor March 21, 1941.