

be the gross value thereof as of the date of death of the prior decedent or as of the date of death of the present decedent, whichever is lower.

Passed the Senate February 25, 1953.

Passed the House March 9, 1953.

Approved by the Governor March 17, 1953.

CHAPTER 138.

[S. B. 262.]

INHERITANCE TAX—CLASS A RATES—EXEMPTIONS.

AN ACT relating to inheritance tax and to exemptions therefrom; and amending sections 83.08.010 and 83.08.020, RCW.

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

SECTION 1. Section 83.08.010, RCW, as derived from section 1, chapter 277, Laws of 1943, is amended to read as follows: Amendment.

An inheritance tax shall be imposed on all estates subject to this title at the rates set forth in this chapter. Scope of tax.

SEC. 2. Section 83.08.020, RCW, as derived from section 1, chapter 277, Laws of 1943, is amended to read as follows: Amendment.

Any devise, bequest, legacy, gift or beneficial interest to any property or income therefrom which shall pass to any lineal ancestor, lineal descendant, husband, wife, stepchild or lineal descendant of a stepchild, adopted child or lineal descendant of an adopted child, adopted child of the lineal descendant, son-in-law, or daughter-in-law of the decedent is denominated class A. On any amount passing to class A up to and including twenty-five thousand dollars, one percent; on any amount in excess of Class A.
Defined.
Rate of tax.

twenty-five thousand dollars up to and including fifty thousand dollars, two percent; on any amount in excess of fifty thousand dollars up to and including seventy-five thousand dollars, three percent; on any amount in excess of seventy-five thousand dollars up to and including one hundred thousand dollars, four percent; on any amount in excess of one hundred thousand dollars up to and including two hundred thousand dollars, seven percent; on any amount in excess of two hundred thousand dollars up to and including five hundred thousand dollars, nine percent; on any amount in excess of five hundred thousand dollars, ten percent: *Provided*, That except as otherwise provided by statute there shall be allowed as an exemption to class A the following amounts: (A-1) Five thousand dollars of any amount passing to class A, and in addition thereto (A-2) five thousand dollars for the surviving spouse and five thousand dollars for each living child born prior to the death of the decedent, stepchild, or adopted child; and in addition thereto (A-3) five thousand dollars for the living descendants of any deceased child, stepchild, or adopted child *per stirpes* and not *per capita*. The exemptions fixed by (A-2) and (A-3) shall be allowed regardless of the amounts passing to the persons named therein. If no person in class A as defined in (A-2) and (A-3) survives the decedent then there shall be allowed as an additional exemption to class A the sum of five thousand dollars. All of the amounts specified in A-1, A-2 and A-3 shall be allowed as exemptions to class A as a whole and not to the persons mentioned therein, which exemptions shall include all allowances in lieu of homestead and all family allowances in excess of one thousand dollars.

Exemptions.

Computation. In computing the tax liability under class A the aggregate amount of the exemption shall be deducted from that portion of the total amount of the

estate passing to beneficiaries which is taxable at the lowest rates specified herein.

Passed the Senate February 25, 1953.

Passed the House March 8, 1953.

Approved by the Governor March 17, 1953.

CHAPTER 139.

[S. B. 261.]

GIFT TAXES—IMPOSED—EXEMPTIONS.

AN ACT relating to gift tax and exemptions therefrom; and amending section 83.56.040, RCW.

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

SECTION 1. Section 83.56.040, RCW, as derived from section 1, chapter 206, Laws of 1945, is amended to read as follows: Amendment.

A gift tax shall be imposed on the aggregate total of all net gifts for each calendar year and all prior years subject to this chapter at the following rates: Scope of tax.

Class A. Any gift made to or for the use or benefit of a lineal ancestor, lineal descendant, husband, wife, stepchild or lineal descendant of a stepchild, adopted child or lineal descendant of an adopted child, adopted child of the lineal descendant of the donor, son-in-law, or daughter-in-law, is hereby designated as class A. Class A.
Defined. On any amount passing to class A, the tax shall be ninety percent of the amount of a tax computed at the following rates: Rates. On any amount up to and including twenty-five thousand dollars, one percent; on any amount in excess of twenty-five thousand dollars up to and including fifty thousand dollars, two percent; on any amount in excess of fifty thousand dollars up to and including seventy-five thousand dollars, three percent; on any amount in excess of seventy-five thousand dollars