

Taxation  
of  
Estates and Inheritances  
under  
Federal and State Laws

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Brief Summaries of the  
More Important Features

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Tables of  
Rates and Exemptions

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*Estate or Inheritance Tax Laws have been enacted by all but three States and the District of Columbia. In the following pages we present brief summaries of the more important provisions of these laws and of the Federal Estate Tax Law, together with tables showing the rates of tax imposed and the exemptions permitted.*

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Inheritance Taxes, or death duties as they are generally called in England, are now a well established method of raising public revenues in this country. Such taxes range in rates all the way from ½ of 1% on direct heirs, such as parents or children, in Mississippi, to as high as 32% on collateral heirs in Arkansas.

Some idea of the relative importance of the Inheritance Tax may be gained from the following hypothetical example, in which the burden of the Inheritance Tax of New York, plus the Estate Tax imposed by the Federal Government under the Revenue Act of 1918, is compared with that of the Federal Income Tax:

EXAMPLE: Until the day of his death John Jones lived in the City of New York with an unadopted foster child, and by last will and testament left all his property to this child. This property comprised securities costing \$250,000 and yielding income at the average rate of 6%, all taxable under the Federal Income Tax Law.

In this case the interest annually at 6% on the aggregate amount of the New York Inheritance Tax and the Federal Estate Tax imposed upon the estate of John Jones would amount to about what Jones himself paid the Federal Government by way of income tax. In other words, the estate of John Jones practically pays his Federal Income Tax in perpetuity.

The calculation may be outlined as follows:

John Jones Estate.....	\$250,000	
Income from Estate (Interest at 6%).....	\$15,000	
Federal Income Tax on \$15,000 Income:		
Normal Tax.....	\$880	
Surtax.....	350	
Total.....		\$1,230
New York Inheritance Tax.....	\$16,750	
Federal Estate Tax.....	4,000	
Total.....		\$20,750
Interest on \$20,750 at 6%.....		\$1,245

If the same calculations were made for this particular estate on the basis of Inheritance Tax rates of other States, we would find that in such important States as Massachusetts and Illinois (important from the standpoint of wealth and population) the Inheritance Tax would be more onerous than the Federal Income Tax. Inheritance taxes take a percentage of the *capital* of an estate; income taxes take a percentage of the *income* derived from that *capital*.

When men now sixty years of age were just reaching their majority, only two States in the Union, Pennsylvania and Maryland, imposed inheritance taxes. In 1885, New York was added to the list. It is a sad commentary on the annoyance that inheritance taxes have given to men of means to note that since its first enactment, the Inheritance Tax Law of New York has been amended over forty times. Today forty-five States impose inheritance taxes, Alabama, Florida and South Carolina being the only States in which inheritance tax laws are not in force. There is no inheritance tax law in force in the District of Columbia.

Inheritance taxes are usually graduated, i. e., they bear more heavily upon large estates than upon small estates, and usually provide a differential tax on different classes of beneficiaries, bearing most lightly on those, like the widow, parent or child, who have a direct claim on the decedent's bounty, and most heavily on utter strangers. Three of the forty-five States, Iowa, Maryland and Texas, do not tax direct heirs at all.

One of the most difficult questions relating to inheritance taxes is that of residence. Even where the law appears perfectly clear on this subject, circumstances may arise to make the calcu-



lation of the tax a not very simple task. Unfortunately, the statutes of many States are ambiguous, and the courts have not clearly interpreted them. Furthermore, the officials charged with the administration of the law frequently make harsh and arbitrary rulings, especially in matters affecting the property of non-residents.

In general, the States tax all property of resident decedents, with certain exemptions and with certain exceptions in cases where bequests are made to charitable and other similar institutions. Inheritance taxes have not been levied by any of the States on land situated outside the State. Many States now tax the stocks and bonds of non-resident decedents in corporations organized within their borders and enforce the law by forbidding transfer agents to register transfers unless the tax has been paid or unless the States give special permission through what is called a "waiver." Thus, in the example given at the outset, where John Jones left an estate of \$250,000, if Jones had lived in Chicago, and all of his estate had consisted of stock in New York corporations, the total Inheritance Tax would have amounted to \$44,545, consisting of a Federal Tax of \$4,000, an Illinois Tax of \$23,795, and a New York Tax of \$16,750.

It will be noted in this instance that the estate really would carry a threefold burden. But that is not all. As far as most States are concerned, the same property would be taxed over and over again as it passed from one heir to another, irrespective of the length of time during which any given owner held the estate. The Federal Estate Tax, however, provides, in effect, that the same property shall not be taxed more than once in five years.

Some States go even so far as to claim a tax where a non-resident decedent held stock in a foreign corporation which has property within the State. In such cases, however, as in the case of non-registered bonds, it is difficult, if not practically impossible, for a State to enforce its claim. Some States tax securities of foreign corporations, belonging to non-resident decedents, if the certificates or evidences of obligation are physically located within the State.

Wherever a tax is imposed on the transfer of property under a will or under the intestacy laws, the same tax is usually imposed on gifts *mortis causa*, that is, on gifts made during life but to take effect at death.

In the following pages we present a summary of the rates and such other information as may be required to obtain a clear understanding of the relative positions of the various States, as well as the Federal Government, in respect to the burdens they impose upon decedents' estates. The Federal Tax is an estate tax, that is, it is levied upon the estate as a whole. The States generally impose inheritance taxes, or as they are sometimes called, succession taxes, which are levied upon each individual's share of the estate.

## FEDERAL ESTATE TAX

While the Federal Government began as early as 1797 to tax inheritances, it has resorted to this method of taxation only during periods of stress, such as the Civil War, the Spanish War and the World War. Table No. 1 on the following page gives a digest of the various acts passed by Congress during the World War, as well as of the act which is still in effect (Column 4).

In these recent acts the tax is calculated on the net estate, that is, on the gross estate less expenses and debts and less, in the case of resident decedents only, an exemption of \$50,000 (this \$50,000 exemption is not allowed in the case of non-resident decedents). The tax is upon the entire estate of resident decedents, wherever the property is located, and upon the property situated within the United States in the case of non-resident decedents.

The amount of all gifts to or for use of the United States or any political subdivision thereof solely for public purposes, or to any religious, charitable, scientific or educational corporation or to trustees for any of these purposes is permitted to be deducted in calculating the net estate.

"Stock in a domestic corporation, and insurance payable by a domestic insurance company, constitute property situated in the United States.....Bonds actually situated in the United States, moneys on deposit with domestic banks and moneys due on open accounts by domestic debtors constitute property subject to the tax."





ALABAMA

There is no Inheritance Tax Law in force in Alabama.

ARIZONA

The rates shown in Table No. 2 apply to property within the State belonging to resident decedents and to non-resident decedents. Persons holding securities or other assets belonging to non-resident decedents cannot make transfers without giving notice to the State Treasurer, and the same are subject to tax.

ARIZONA

Table No. 2

BENEFICIARY	EXEMPTION	RATE			
		Over Amount of Exemption but under \$10,000	\$10,000 to \$20,000	\$20,000 to \$50,000	Over \$50,000
<b>Class A</b> Grandparents, parents, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child, lineal descendant.	\$10,000 on entire estate except where it exceeds that amount, when exemption is \$5,000 on a share.	1%	1%	1%	1%
<b>Class B</b> Uncle, aunt, niece, nephew or any lineal descendant of same.	\$5,000 on entire estate except where estate exceeds that amount, when exemption is \$2,000 on a share.	2%	2%	2%	2%
<b>Class C</b> All other cases.	\$500, but no exemption when share exceeds that amount.	3%	4%	5%	6%

ARKANSAS

The rates for Arkansas are shown in Table No. 3. The exemptions are not allowed on all estates, the rule being that when any estate on which the tax is due is large enough to pay the tax in full and leave a sum equal to or greater than the exemption, the tax shall be paid on the value of the entire estate without any deductions whatever.

The estates of non-residents are liable not only on tangible property within the State, but also on securities of corporations incorporated within the State or owning property within the State. The State does not tax tangible property of resident decedents situated without the State, but a tax is imposed on the stock of foreign corporations owning property within the State.

ARKANSAS

Table No. 3

BENEFICIARY	EXEMPTIONS	RATE							
		*Under \$5,000	\$5,000 to \$10,000	\$10,000 to \$30,000	\$30,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	\$500,000 to \$1,000,000	Over \$1,000,000
<b>Class A</b> Parents, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted child, mutually acknowledged child.	Widow or minor child, \$3,000. All others, \$1,000.	1%	2%	3%	4%	5%	6%	7%	8%
<b>Class B</b> Any other persons or corporations except Class C.	\$500	4%	8%	12%	16%	20%	24%	28%	32%
<b>Class C</b> Gifts for benevolent, charitable, public, educational or religious purposes.	Entirely exempt								

\*When any estate on which a tax is due is large enough to pay the tax in full and leave a sum equal to or greater than the exemption, the tax shall be paid on the value of the entire estate without any deductions whatever.



CALIFORNIA

California taxes the entire property of residents and the property of non-residents situated within the State. . In property within the State is included bonds or notes present in California or owed by California debtors, shares of stock in California and deposits or other assets or the contents of safe deposit boxes standing in the name of the decedent.' The rates and exemptions are as set forth in Table No. 4.

Table No. 4

CALIFORNIA

BENEFICIARY	EXEMPTION	RATE						
		Over Amount of Exemption but under \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$200,000	\$200,000 to \$500,000	\$500,000 to \$1,000,000	Over \$1,000,000
<b>Class A</b> Husband, wife, lineal ancestor, lineal descendant, adopted child, or mutually acknowledged child, or the lineal descendant of either.	Widow (half of community) or minor child, \$24,000; others, \$10,000.	1%	2%	4%	7%	10%	12%	15%
<b>Class B</b> Brother, sister, or descendant of either, wife or widow of son, husband of daughter.	\$2,000	3%	6%	9%	12%	15%	20%	25%
<b>Class C</b> Uncle, aunt or the descendant of either.	\$1,000	4%	8%	10%	15%	20%	25%	30%
<b>Class D</b> All other persons and corporations except Class E.	\$500	5%	10%	15%	20%	25%	30%	30%
<b>Class E</b> Gifts for charitable, benevolent, educational or public purposes organized or existing in this State, or property to be used within State, or to corporations which are exempt from taxation.	Entirely exempt							

COLORADO

Colorado taxes the entire estate of resident decedents, and all property of non-residents situated within the State, including debts or bonds due from domestic corporations, stock in such corporations or in any corporations having property within the State.

In Table No. 5 the rates of tax are given, but in connection with the exemptions these observations should be made: The beneficiaries included in Class A are entitled to the entire amount of the exemption before the tax is computed; in Classes B and C no exemption is allowed if the estate exceeds the amount of the exemption.

The table does not show the rate of tax on different blocks of the estate, but the rate is to be applied to the entire estate when the amount of estate falls within any of the brackets. Thus an estate of \$25,000 left to an aunt would pay a tax of 4% on \$25,000; that is, the highest rate applicable to any part of the amount must be used in computing the tax on the entire amount.

Table No. 5

COLORADO

BENEFICIARY	EXEMPTION	RATE					
		Over Amount of Exemption but under \$10,000	\$10,000 to \$20,000	\$20,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$200,000	Over \$200,000
<b>Class A</b> Parents, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child and lineal descendant.	\$10,000		2%	2%	2%	3%	4%
<b>Class B</b> Uncle, aunt, niece, nephew or lineal descendants of same.	\$500	3%	3%	4%	5%	6%	6%
<b>Class C</b> All other persons or corporations except Class D.	\$500	4%	5%	6%	8%	10%	10%
<b>Class D</b> Gifts for State or municipal purposes, for public libraries, for religious, educational or charitable purposes, provided beneficiary be located within State, or property be limited for use in State.	Entirely exempt						



CONNECTICUT

Connecticut taxes all the property of resident decedents and all property of non-resident decedents located within the State. Securities held without the State issued by Connecticut corporations shall be subject to the tax only in cases where the State of the decedent’s residence imposes an inheritance tax on like securities of their own corporations owned by residents of Connecticut. Securities physically present within the State are taxable in any event.

Connecticut uses the ratio rule or mathematical formula in calculating the tax on non-residents’ estates that was recently approved by the Supreme Court of the United States in a case involving the estate of the late James J. Hill. Had this rule been held unconstitutional by the Court, the estate would have paid \$26,703.12 less to the State of New Jersey, where the rule also operates, than it was compelled to pay. Besides Connecticut and New Jersey, the following States have adopted the rule: Kansas, Maine, Mississippi, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota and Wisconsin.

The Connecticut statute in stating this mathematical rule is worded in part as follows: “The court of probate having jurisdiction . . . shall ascertain the proportion of the estate of such non-resident decedent, wherever situated, passing to each of such three classes, (Classes A, B and C in the table) and shall compute such tax as if the real estate or tangible personal property on which such tax is based passed to the classes referred to in the same proportion, but only such percentage of the exemptions (stated in the table) . . . shall apply as the estate of such non-resident in this State is of the entire estate.”

The rates and exemptions which apply to the aggregate estate passing to each class and not to the estate of each beneficiary are as set forth in Table No. 6.

CONNECTICUT Table No. 6

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption to \$25,000	\$25,000 to \$50,000	\$50,000 to \$250,000	\$250,000 to \$1,000,000	Over \$1,000,000
<b>Class A</b> Parents, grandparents, husband, wife, lineal de- scendant, adopted child, adoptive parent and lineal descendant of adopted child.	\$10,000 to entire class	1%	1%	2%	3%	4%
<b>Class B</b> Wife or widow of son, husband of daughter, step- child, brother or sister of full or half blood or descendant of same.	\$3,000 to entire class	3%	5%	6%	7%	8%
<b>Class C</b> All others, except Class D.	\$500 to entire class	5%	5%	6%	7%	8%
<b>Class D</b> Gifts for exhibition purposes or municipal or public corporations or institutions within the State.	Entirely exempt					

DELAWARE

Delaware taxes only property within the State, whether it be transferred by a resident or a non-resident decedent. It makes one exception and that is with regard to shares of stock in domestic corporations when held by non-resident decedents; these shares are exempted because of a constitutional provision which does not permit their taxation.

The rates and exemptions are as set forth in Table No. 7.

DELAWARE Table No. 7

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption to \$25,000	\$25,000 to \$30,000	\$30,000 to \$100,000	\$100,000 to \$200,000	Over \$200,000
<b>Class A</b> Parents, grandparents, husband, wife, child, adopted child, wife or widow of son, husband of daughter, lineal descendant.	\$3,000	1%	1%	2%	3%	4%
<b>Class B</b> Brother or sister of the whole or half blood or de- scendant of either.	\$1,000	2%	3%	3%	4%	5%
<b>Class C</b> All others except Class D.	No exemption	5%	6%	6%	7%	8%
<b>Class D</b> Gifts for educational, charitable, historical, municip- al or religious purposes.	Entirely exempt					

DISTRICT OF COLUMBIA

There is no Inheritance Tax Law in force in the District of Columbia.

FLORIDA

There is no Inheritance Tax Law in force in Florida.

GEORGIA

Georgia’s law was materially changed in 1919. The new law taxes all property within the State belonging to residents or non-residents, but excludes intangible property of non-residents. This means, of course, that the stock and other securities of domestic corporations, when owned by non-residents, are exempted.

The rates and exemptions are as set forth in Table No. 8.

Table No. 8

GEORGIA

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, child, adopted child, son-in-law, daughter-in-law, lineal descendant or lineal ancestor.	\$2,000 to lineal ancestor or descendant. \$5,000 to all others.	1%	1½%	2%	2½%	3%
<b>Class B</b> Brother, sister (includes half-blood), step-child.	None	3%	4½%	6%	7½%	9%
<b>Class C</b> Uncle, aunt, nephew, niece.	None	5%	7½%	10%	12½%	15%
<b>Class D</b> All other, except Class E.	None	7%	10½%	14%	17½%	21%
<b>Class E</b> Gifts for educational, literary, scientific, religious, charitable or State or Municipal purposes.	Entirely exempt					

IDAHO

Idaho taxes all the property of resident decedents and all the property of non-resident decedents located within the State. Corporations and banking institutions are not permitted to make transfers or deliveries without retaining a sufficient portion of amount thereof to pay any tax and penalty which may thereafter be assessed on account of the delivery or transfer of such securities, deposits or other assets, including the shares of the capital stock of or other interests in the safe deposit company, trust company, corporation, bank or other institution making the delivery or transfer—unless the County Treasurer consents thereto in writing. The law is very similar, as to taxability, to the law of Illinois.

The rates and exemptions are as set forth in Table No. 9.

Table No. 9

IDAHO

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, lineal issue, lineal ancestor, adopted child or mutually acknowledged child or lineal descendant of either.	Wife or minor child, \$10,000. All others, \$4,000.	1%	1½%	2%	2½%	3%
<b>Class B</b> Brother or sister or their descendants, wife or widow of son, husband of daughter.	\$2,000	1½%	2¼%	3%	3¾%	4½%
<b>Class C</b> Aunt or uncle or descendant of either.	\$1,500	3%	4½%	6%	7½%	9%
<b>Class D</b> Brother or sister of grandfather or grandmother or descendant of either.	\$1,000	4%	6%	8%	10%	12%
<b>Class E</b> All other persons or corporations except Class F.	\$500	5%	7½%	10%	12½%	15%
<b>Class F</b> Gifts for charitable, benevolent, educational and public purposes or to institutions exempt from taxation.	Entirely exempt					



ILLINOIS

Illinois taxes all the property of resident decedents and the property of non-resident decedents within the State. Stocks and bonds in Illinois corporations, and in national banks maintaining a place of business in Illinois, moneys on deposit in Illinois and securities actually located in Illinois are subject to the tax.

The rates and exemptions are as set forth in Table No. 10.

ILLINOIS

Table No. 10

BENEFICIARY	EXEMPTION	RATE								
		Over Amount of Exemption to \$20,000	\$20,000 to \$50,000	\$50,000 to \$70,000	\$70,000 to \$100,000	\$100,000 to \$150,000	\$150,000 to \$170,000	\$170,000 to \$250,000	\$250,000 to \$500,000	Over \$500,000
<b>Class A</b> Parents, lineal ancestors, husband, wife, adopted child or mutually acknowledged child, brother, sister, wife or widow of son, husband of daughter, lineal descendant.	\$20,000 to all except brother or sister, who have \$10,000 exemption.	1%	1%	2%	2%	2%	3%	3%	5%	7%
<b>Class B</b> Uncle, aunt, niece, nephew or lineal descendant of same.	\$500	3%	4%	4%	6%	6%	6%	8%	8%	8%
<b>Class C</b> All other persons or corporations except Class D.	\$100	5%	6%	8%	8%	10%	12%	12%	15%	15%
<b>Class D</b> Gifts for hospital, religious, educational, bible, missionary, tract, scientific, benevolent or charitable purposes.	Entirely exempt									

INDIANA

Indiana taxes all the tangible property within the State of resident and non-resident decedents. It taxes intangible property of residents wherever located but does not tax the intangible property of non-residents. It will be seen, therefore, that as far as non-residents are concerned stocks or bonds in Indiana corporations, or the certificates of stocks or bonds if actually located in Indiana, as well as money on deposit in Indiana, are not subject to the inheritance tax. Nevertheless, consent to the transfer of securities of Indiana corporations must be obtained.

The rates and exemptions are as set forth in Table No. 11.

INDIANA

Table No. 11

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption but under \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, lineal issue, lineal ancestor, adopted child or mutually acknowledged child or descendant of either.	Widow, \$10,000. All others, \$2,000.	1%	1½%	2%	2½%	3%
<b>Class B</b> Brother, sister, or descendant of either, wife or widow of son, husband of daughter.	\$500	1½%	2¼%	3%	3¾%	4½%
<b>Class C</b> Brother or sister of father or mother or descendant of either.	\$250	3%	4½%	6%	7½%	9%
<b>Class D</b> Brother or sister of the grandfather or grandmother or descendant of either.	\$150	4%	6%	8%	10%	12%
<b>Class E</b> All other persons or corporations except Class F.	\$100	5%	7½%	10%	12½%	15%
<b>Class F</b> Gifts for municipal, county, town, religious, educational, benevolent or charitable purposes within the State.	Entirely exempt					

IOWA

Iowa does not tax estates of \$1,000 or less. It taxes all kinds of property, both tangible and intangible, of non-residents provided such property is within the State. Iowa corporations are liable to the tax on stock transferred on account of death unless the tax has been paid by the executor or other person primarily liable.

Property passing to the first class is entirely exempt. This class includes father, mother, husband or wife, lineal descendants, adopted child and its children.

All others pay a tax of 5%, except non-resident aliens, who pay 20%, unless they are brothers or sisters, in which event they pay 10%.

KANSAS

Kansas taxes "all property, corporeal or incorporeal, and any interest therein, within the jurisdiction of the State, whether belonging to the inhabitants of the State or not."

As to non-residents, Kansas applies the mathematical rule explained in the digest of the Connecticut laws (see page 6).

The rates and exemptions are as set forth in Table No. 12.

Table No. 12 KANSAS

BENEFICIARY	*EXEMPTION	RATE				
		On first \$25,000 over Exemption	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
Wife. <b>Class A</b>	\$75,000	½%	1%	1½%	2%	2½%
<b>Class B</b> Husband, lineal ancestor, lineal descendant, adopted child, lineal descendant of adopted child, wife or widow of son, husband of daughter.	\$15,000	1%	2%	3%	4%	5%
Brother or sister. <b>Class C</b>	\$5,000	3%	5%	7½%	10%	12½%
<b>Class D</b> All other persons or corporations except Class E.	None.	5%	7½%	10%	12½%	15%
<b>Class E</b> Gifts for literary, educational, scientific, religious, benevolent, charitable, State, municipal, or public purposes.	Entirely exempt					

\* Any share in the estate which does not amount to more than \$200 in excess of the exemption shown for each class is not subject to tax.



KENTUCKY,

Kentucky taxes all property of resident decedents and all the property of non-residents situated within the State, including “any interest therein” or “income therefrom.”

The rates and exemptions are as set forth in Table No. 13.

KENTUCKY

Table No. 13

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption but under \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
Class A Husband, wife, lineal issue, lineal ancestor, adopted child or mutually acknowledged child or descendant of either.	Widow and minor child, \$10,000. All others, \$5,000.	1%	1½%	2%	2½%	3%
Class B Brother or sister, descendant of either, wife or widow of son, husband of daughter.	\$2,000	1½%	2¼%	3%	3¾%	4½%
Class C Aunt or uncle, or descendant of either.	\$1,500	3%	4½%	6%	7½%	9%
Class D Brother or sister of grandfather or grandmother or descendant of either.	\$1,000	4%	6%	8%	10%	12%
Class E All other persons or corporations except Class F.	\$500	5%	7½%	10%	12½%	15%
Class F Gifts for Municipal, public, charitable or educational purposes within the State.	Entirely exempt					

LOUISIANA

Louisiana imposes its tax on all “inheritances, legacies and other donations mortis causa” and makes the tax expressly apply to personal property within the State and to all personal property of resident decedents wherever situated.

Gifts for educational, religious or charitable purposes are entirely exempt. The rate is 2% for husband, wife, ascendants or descendants, though no tax at all is imposed if the share received amounts to less than \$10,000. All others pay 5% without exemption except as noted above.

MAINE

Maine taxes “all property within the jurisdiction of this State, and any interest therein, whether belonging to the inhabitants of this State or not, and whether tangible or intangible.” As to non-residents the mathematical rule used in Connecticut is applied (see page 6).

The highest rate applicable to any part of the estate passing to a certain beneficiary is used in computing the tax on the entire amount of the estate passing to such beneficiary.

Where personal property of a non-resident consists of shares in a railway, telegraph or telephone company incorporated in Maine and another State, only so much of each share as is proportional to the part of such company’s lines lying within this State shall be considered property subject to tax in this State.

The rates and exemptions are as set forth in Table No. 14.

MAINE

Table No. 14

BENEFICIARY	EXEMPTION	RATE		
		Over Amount of Exemption up to \$50,000	\$50,000 to \$100,000	Over \$100,000
Class A Husband, wife, parents, child, adopted child or adoptive parent.	\$10,000	1%	1½%	2%
Lineal ancestor, lineal descendant, wife or widow of son, husband of daughter.	\$500	1%	1½%	2%
Class B Brother, sister, uncle, aunt, nephew, niece or cousin.	\$500	4%	4½%	5%
Class C All other persons or corporations except Class D.	\$500	5%	6%	7%
Class D Gifts for educational, charitable, benevolent or religious purposes within State.	Entirely exempt			



MARYLAND

Maryland’s schedule is extremely simple. Parents, husband, wife, child and lineal descendants are entirely exempt. All others pay at the rate of 5% if the estate amounts to \$500 or more. The tax is an estate tax payable on “all estates, real, personal and mixed, money, public and private securities for money . . . being in this State.”

Executors in foreign states are required to pay a tax on their commissions on the transfer of stock in domestic corporations, the tax amounting to 1% on the first \$20,000 and ½ of 1% on the remainder.

MASSACHUSETTS

The Massachusetts tax is levied on “all property within the jurisdiction of the commonwealth, corporeal or incorporeal, and any interest therein, belonging to inhabitants of the commonwealth, and all real estate within the commonwealth, or any interest therein, belonging to persons who are not inhabitants of the commonwealth.”

Property of a non-resident decedent within the jurisdiction of the commonwealth shall, if it is taxable in State of his residence, be taxed here only on any excess which may be due over the tax of the other State; provided that a like exemption is made by the other State in favor of estates of residents of Massachusetts.

The rates mentioned in Table No. 15 *were all increased 25% by an Act of 1919*, which increased rate was to apply to estates of persons dying on or before July 23, 1920, and it was further enacted by L. 1920 Ch. 441 to extend to December 1, 1920.

Table No. 15 MASSACHUSETTS

BENEFICIARY	*EXEMPTION	RATE					
		Under \$10,000	\$10,000 to \$25,000	\$25,000 to \$50,000	\$50,000 to \$250,000	\$250,000 to \$1,000,000	Over \$1,000,000
<b>Class A</b> Husband, wife, parents, child, grandchild, adopted child or adoptive parent.	\$10,000 exempt ex- cept grandchild \$1,000	No tax ex- cept grand- child 1%	1%	2%	4%	5%	6%
<b>Class B</b> Lineal ancestor or descendant except those in Class A, lineal descendant of adopted child, lineal ancestor of adoptive parent, wife or widow of son, husband of daughter.	\$1,000	1%	2%	4%	5%	6%	7%
<b>Class C</b> Brother, sister, half-brother, half-sister, nephew, niece, stepchild or step-parent.	\$1,000	3%	5%	7%	8%	9%	10%
<b>Class D</b> All other persons or corporations except Class E.	\$1,000	5%	6%	7%	8%	9%	10%
<b>Class E</b> Gifts for charitable, educational or religious pur- poses exempt by law from taxation; trusts for charitable purposes, for city, town or public purposes within the State.	Entirely exempt						

\*Where the interest in the estate exceeds the amount of the exemption, the entire amount is taxable.

MICHIGAN

Residents' property is taxed under the Michigan law wherever situated. All non-residents' property within the State is taxed. Transfer agents and others having control of securities are liable for making transfers on the order of foreign (i.e., outside the State) executors or legal representatives before the tax is paid unless they obtain a written waiver from the proper county officer, or unless a sufficient amount is retained to pay the tax.

No estate of less than \$100 is subject to a tax. A share to a wife is not liable unless the personal property shall amount to \$5,000 or more. A share to grandparents, parents, husband, child, brother, sister, widow of son, husband of daughter, adopted child or mutually acknowledged child is not taxable unless the personal property shall amount to \$2,000 or more.

The rates and exemptions are as set forth in Table No. 16.

MICHIGAN

Table No. 16

BENEFICIARY	EXEMPTION (which applies only where interest transferred is less than exemption)	RATE		
		Under \$50,000	\$50,000 to \$500,000	Over \$500,000
<b>Class A</b> Grandparents, parents, husband, wife, child, brother, sister, widow of son, husband of daughter, adopted child or mutually acknowledged child.	All real estate; personal property of less than \$5,000 in case of wife, and less than \$2,000 in case of others of this class.	1%	2%	3%
<b>Class B</b> All other persons and corporations except Classes C and D.	\$100	5%	10%	15%
<b>Class C</b> Non-resident alien collaterals and strangers to the blood and corporations incorporated without the United States.	\$100	25%	25%	25%
<b>Class D</b> Gifts for religious, charitable and similar purposes within the State.	Entirely exempt			

MINNESOTA

Minnesota taxes the property, wherever situated, belonging to resident decedents, and taxes all property or any interest therein or income therefrom of non-residents situated within the State. Domestic corporations are liable for the taxes in respect to transfers of stock unless before making such transfers on their books they obtain a written consent thereto from the Attorney General.

The rates and exemptions are as set forth in Table No. 17.

MINNESOTA

Table No. 17

BENEFICIARY	EXEMPTION	RATE				
		*Over Amount of Exemption but not over \$15,000	\$15,000 to \$30,000	\$30,000 to \$50,000	\$50,000 to \$100,000	Over \$100,000
<b>Class A</b> Wife or lineal issue.	\$10,000	1%	2%	2½%	3%	4%
<b>Class B</b> Husband, lineal ancestor, adopted child or mutually acknowledged child or lineal descendant of either.	Lineal ancestors, \$3,000; all others, \$10,000.	1½%	3%	3¾%	4½%	6%
<b>Class C</b> Brother, sister, descendant of either, wife or widow of son, husband of daughter.	\$1,000	3%	6%	7½%	9%	12%
<b>Class D</b> Brother or sister of father or mother or a descendant of either.	\$250	4%	8%	10%	12%	16%
<b>Class E</b> All other persons except Class F.	\$100	5%	10%	12½%	15%	20%
<b>Class F</b> Gifts for religious, charitable, scientific, literary or educational purposes in the State, or State or municipal purposes in the State.	Entirely exempt					

\*The exemption is first deducted from the estate and the primary rate computed on the entire \$15,000 remaining.



MISSISSIPPI

Mississippi taxes all property of residents and all real and personal tangible property of non-residents situated within the State. As to non-residents, however, the law expressly excludes from taxation "such intangible property as money on hand or on deposit, shares of stock, bonds, notes, credits and evidences of debt." In calculating the tax on non-residents, Mississippi uses the mathematical rule described in the digest of Connecticut (see page 6).

The rates and exemptions are as set forth in Table No. 18.

Table No. 18

MISSISSIPPI

BENEFICIARY	EXEMPTION	RATE								
		Amounts Over Exemption up to \$25,000	\$25,000 to \$50,000	\$50,000 to \$75,000	\$75,000 to \$100,000	\$100,000 to \$150,000	\$150,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	Over \$1,000,000
<b>Class A</b> Grandparents, parents, husband, wife, child, brother, sister, nephew, niece, wife or widow of son, husband or widower of daughter, adopted or mutually acknowledged child or lineal descendant.	Widow or child under 18, \$7,500; all others, \$4,000.	1½%	1%	1½%	2%	2½%	2½%	2½%	3%	3%
<b>Class B</b> All others except Class C.	\$500	5%	5½%	6%	6%	6%	6½%	7%	7%	8%
<b>Class C</b> Gifts for charitable, benevolent, educational or public purposes and corporations and associations exempt from taxation.	Entirely exempt									

MISSOURI

Missouri taxes all property of resident decedents and all property or any interest therein or income therefrom of non-residents situated within the State.

The rates and exemptions are as set forth in Table No. 19.

Table No. 19

MISSOURI

BENEFICIARY	EXEMPTION	RATE					
		Over Amount of Exemption but under \$20,000	\$20,000 to \$40,000	\$40,000 to \$80,000	\$80,000 to \$200,000	\$200,000 to \$400,000	Over \$400,000
<b>Class A</b> Husband, wife, lineal descendant, lineal ancestor, adopted child or issue of same, illegitimate child.	Husband or wife, \$15,000; all others, \$5,000.	1%	2%	3%	4%	5%	6%
<b>Class B</b> Brother, sister, descendant of either, wife or widow of son, husband of daughter.	\$500	3%	6%	9%	12%	15%	18%
<b>Class C</b> Uncle, aunt or descendant of either.	\$250	3%	6%	9%	12%	15%	18%
<b>Class D</b> Brother or sister of grandfather or grandmother or descendant of either.	\$100	4%	8%	12%	16%	20%	24%
<b>Class E</b> All others, except Class F.	\$100	5%	10%	15%	20%	25%	30%
<b>Class F</b> Gifts for municipal, hospital, religious, educational, bible, missionary, scientific, benevolent or charitable purposes within the State.	Entirely exempt						



MONTANA

All property of resident decedents is taxed by Montana, as is also all property, and any interest therein or income therefrom, situated within the State of non-resident decedents.

Estates of less than \$500 are not taxed. Where a share is distributed to a parent, a husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted child or mutually acknowledged child or lineal descendant there is no tax unless the estate is valued at \$7,500 or more. The rate on personal property distributed to those mentioned in this paragraph is 1%. The rate on realty descending to such persons and on all property coming to all other persons is 5%.

NEBRASKA

Nebraska taxes all property of resident decedents and all property and any interest therein or income therefrom situated within the State of non-resident decedents. There is, however, no machinery provided for taxing personal property belonging to a non-resident and in practice it is not taxed.

The rates and exemptions are as set forth in Table No. 20.

NEBRASKA

Table No. 20

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption but under \$5,000	\$5,000 to \$10,000	\$10,000 to \$20,000	\$20,000 to \$50,000	Over \$50,000
Class A Parents, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted child, mutually acknowledged child, lineal descendant.	\$10,000	1%	1%	1%	1%	1%
Class B Uncle, aunt, niece, nephew or lineal descendant of same.	\$2,000	2%	2%	2%	2%	2%
Class C All others.	\$500 unless share exceeds that amount, in which case no exemption.	2%	3%	4%	5%	6%

NEVADA

All property of residents within the jurisdiction of the State and all property within the State belonging to non-residents is subject to the tax at the rates set forth in Table No. 21.

NEVADA

Table No. 21

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption but under \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
Class A Husband, wife, lineal ancestor, adopted or mutually acknowledged child or lineal issue of either.	Wife or minor child, \$20,000. All others, \$10,000.	1%	2%	3%	4%	5%
Class B Brother, sister or descendant of either, wife or widow of son, husband of daughter.	\$10,000	2%	4%	6%	8%	10%
Class C Uncle, aunt or descendant of either.	\$5,000	3%	6%	9%	12%	15%
Class D Brother or sister of grandfather or grandmother, or descendant of either.	None	4%	8%	12%	16%	20%
Class E All other persons or corporations.	None	5%	10%	15%	20%	25%

NEW HAMPSHIRE

New Hampshire taxes only property within the State belonging to residents and taxes only the real estate within the State of non-resident decedents. The tax is uniformly at the rate of 5% for all persons except parents, husband, wife, lineal descendant, adopted child or their lineal descendant, wife or widow of son and husband of daughter. The rates for those mentioned are as follows: 1% up to \$25,000; 2% from \$25,000 to \$50,000; 2½% from \$50,000 to \$100,000; 3% from \$100,000 to \$250,000, and 5% over \$500,000. The husband, wife or any child under twenty-one years of age is entitled to an exemption of \$10,000.

Gifts for educational, religious, cemetery, public or charitable purposes within the State are entirely exempt.

NEW JERSEY

New Jersey taxes all the property of resident decedents and all real property, goods, wares and merchandise within the State, including shares of stock of corporations incorporated in the State, or of national banking associations within the State of non-resident decedents. The tax assessed against the estate of a non-resident decedent is to be such proportion of the tax which the estate would have borne if the decedent had been a resident, as the value of the property within the State bears to the value of the entire estate wherever located. The mathematical rule used in Connecticut is applied (see page 6). Estates of \$500 or less are entirely exempt.

The rates and other exemptions are as set forth in Table No. 22.

Table No. 22NEW JERSEY

BENEFICIARY	EXEMPTION	RATE			
		Over Amount of Exemption to \$50,000	\$50,000 to \$150,000	\$150,000 to \$250,000	Over \$250,000
Class A Husband, wife, child, issue of child, adopted child, mutually acknowledged child.	\$5,000	1%	1½%	2%	3%
Class B Parents, brother, sister, wife or widow of son, husband of daughter.	5,000	2%	2½%	3%	4%
Class C All others except Class D.	None.	5%	5%	5%	5%
Class D Gifts for church, hospital, orphan asylum, public library, bible, tract, religious, benevolent or charitable purposes within the State, and to corporations locally incorporated.	Entirely exempt				



## NEW MEXICO

New Mexico's Inheritance Tax Law went into effect January 1, 1920. All property within the State, whether belonging to a resident or non-resident decedent, is subject to the tax, which is at the rate of 1% for parents, husband, wife, lineal descendants, legally adopted child and its lineal descendants, the wife or widow of a son, the husband of a daughter, a brother and sister. These direct heirs are also entitled to an aggregate exemption of \$10,000. Collateral heirs, strangers and corporations pay at the rate of 5% and are entitled to an aggregate exemption of \$500. Where the property is left partly to direct heirs the proportion of the \$10,000 exemption to which they are entitled is the same as the proportion of the estate which they receive.

The law is stated to be based on the Connecticut law, and the mathematical formula for calculating the exemption of non-residents, described in the Connecticut digest, applies here (see page 6). Gifts of paintings, pictures, books, etc., made by will to any corporation or institution in the State for exhibition purposes are exempt. Non-resident decedents' estates are liable to pay the tax not only on tangible property within the State, but on intangible property, which is defined to mean "incorporeal property, including money, deposits in banks, shares of stock, bonds, notes, credits, evidences of an interest in property and evidences of debt."

## NEW YORK

New York now taxes all property of resident decedents. The rules as to taxability of non-resident decedents' estates may be summarized as follows:

The tax is imposed on real property, goods, wares and merchandise within the State; on stock of a domestic corporation or of a national bank located within the State; on stock of a foreign corporation, or on bonds, notes, mortgages of any corporation (except a moneyed, transportation, public service or manufacturing corporation) and the property represented by any of such securities consists of real estate located wholly or partially within the State, or of any interest in a partnership business conducted wholly or partially within the State, and if not wholly within the State, then in proportion to the value that real property of the corporation within the State and that the entire property of the partnership within the State bears to the entire value of the corporation or partnership, respectively, wherever located; on capital invested in the State by a person doing business in the State as principal or partner.

An estate of \$500 or less is entirely exempt.

The rates and exemptions are as set forth in Table No. 23.

### NEW YORK

Table No. 23

BENEFICIARY	EXEMPTION	RATE			
		First \$25,000 over Exemption	\$25,000 to \$100,000	\$100,000 to \$200,000	Over \$200,000
<b>Class A</b> Parents, wife, husband, child, adopted child, lineal descendant.	\$5,000 to all except grand-child, which has *\$500 exemption	1%	2%	3%	4%
<b>Class B</b> Brother, sister, wife or widow of son, husband of daughter, mutually acknowledged child.	*\$500	2%	3%	4%	5%
<b>Class C</b> All others except Class D.	*\$500	5%	6%	7%	8%
<b>Class D</b> Gifts for charitable, religious, benevolent, educational, cemetery, historical purposes.	Entirely exempt				

\*No exemption allowed if gift amounts to over \$500.



NORTH CAROLINA

North Carolina imposes a tax on all property of resident decedents, and taxes “all real and personal property of whatever kind and nature . . . ” belonging to non-residents and having a location within the State, “or any interest therein or income therefrom.”

In computing the tax on estates of non-residents the mathematical rule practiced in Connecticut is applicable (see page 6).

The rates and exemptions are as set forth in Table No. 24.

Table No. 24

NORTH CAROLINA

BENEFICIARY	EXEMPTION	RATE				
		First \$25,000 above Exemption	\$25,000 to \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	Over \$500,000
<b>Class A</b> Lineal issue, lineal ancestor, adopted child, husband or wife, or one standing in relation of child.	Widow, \$10,000; minor child, \$5,000; all others \$2,000.	1%	2%	3%	4%	5%
<b>Class B</b> Brother or sister, or descendant of either.	\$200, except where legacy exceeds that amount, then no exemption.	3%	4%	5%	6%	7%
<b>Class C</b> All others, except Class D.	\$200, except where legacy exceeds that amount, then no exemption.	5%	6%	7%	8%	9%
<b>Class D</b> Gifts for religious, educational or charitable corporations within the State.	Entirely exempt					

NORTH DAKOTA

North Dakota allows property of resident decedents situated outside the State to go untaxed, provided the State in which it is located taxes it, the tax is paid, and such State allows a similar exemption to property located in North Dakota. Property within the State belonging to non-residents is taxable, and the term property is defined to include “all contracts, mortgages, shares of stock or bonds or other interest in tangible personal or real property existing in this State, however evidenced or expressed.” In computing the tax on estates of non-residents, the mathematical rule practiced in Connecticut is applicable (see page 6).

The tax upon transfer of stocks, bonds, mortgages or other securities of a corporation or a holding company owning securities of a corporation, incorporated or operating within the State, which first-mentioned corporation is organized, does business or owns property within and without this State, shall be in the proportion which the business or property within this State bears to the total property.

The rates and exemptions are as set forth in Table No. 25.

Table No. 25

NORTH DAKOTA

BENEFICIARY	EXEMPTION	RATE						
		Over Amount of Exemption but under \$15,000	\$15,000 to \$30,000	\$30,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$300,000	\$300,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, lineal descendant, adopted or mutually acknowledged child or lineal issue of either.	Husband or wife, \$10,000; minor child, \$5,000; all others, \$2,000.	1%	1½%	2%	2½%	3%	3½%	4%
<b>Class B</b> Brother or sister or descendant of either, wife or widow of son, husband of daughter.	\$500	1½%	2¼%	3%	3¾%	4½%	5¼%	6%
<b>Class C</b> Aunt or uncle, or descendant of either.	\$250	3%	4½%	6%	7½%	9%	10½%	12%
<b>Class D</b> Brother or sister of grandfather or grandmother, or descendant of either.	None	4%	6%	8%	10%	12%	14%	16%
<b>Class E</b> All others except Class F.	None	5%	7½%	10%	12½%	15%	17½%	20%
<b>Class F</b> Gifts for municipal, religious, charitable, or educational purposes organized and to be used within the State.	Entirely exempt							

OHIO

Ohio taxes the property of resident decedents wherever the property is located and taxes the property of non-residents located within the State. Property is expressly defined to “include everything capable of ownership or any interest therein or income therefrom, whether tangible or intangible, and, except as to real estate, whether within or without this State . . . .” Ohio gives certain credit for taxes paid on property in other States.

The rates and exemptions are as set forth in Table No. 26.

OHIO

Table No. 26

BENEFICIARY	EXEMPTION	RATE			
		*Over Amount of Exemption but under \$25,000	\$25,000 to \$100,000	\$100,000 to \$200,000	Over \$200,000
<b>Class A</b> Parents, husband, wife, child, adopted child or lineal descendant of decedent.	\$5,000 to wife or minor child; all others, \$3,500	1%	2%	3%	4%
<b>Class B</b> Brother, sister, niece, nephew, wife or widow of son, husband of daughter, mutually acknowledged child.	\$500	5%	6%	7%	8%
<b>Class C</b> All others except Class D.	None	7%	8%	9%	10%
<b>Class D</b> Gifts for State, municipal corporations, educational, charitable or benevolent purposes within the State.	Entirely exempt				

\*The exemption is first deducted from the estate and the primary rate computed on the entire \$25,000 remaining.

OKLAHOMA

Oklahoma reaches with its inheritance taxes all property of resident decedents, and all property within the State of non-resident decedents, including “any interest therein or income therefrom.” In computing the tax on estates of non-residents the mathematical rule practiced in Connecticut is applicable (see page 6).

The rates and exemptions are as set forth in Table No. 27.

OKLAHOMA

Table No. 27

BENEFICIARY	EXEMPTION	RATE			
		Over Amount of Exemption to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	Over \$100,000
<b>Class A</b> Parents, husband, wife, child, adopted child, mutually acknowledged child, lineal descendants.	Wife, \$15,000; child, \$10,000; all others, \$5,000.	1%	2%	3%	4%
<b>Class B</b> Brother, sister, wife or widow of son or husband of daughter.	\$1,000	1%	3%	4%	5%
<b>Class C</b> To all others, except Class D.	\$500	6%	7%	8%	10%
<b>Class D</b> Gifts for religious, charitable or educational purposes.	Entirely exempt				



OREGON

*Oregon has both an inheritance tax and an estate tax.* Every estate in excess of \$10,000 is required to pay a tax on the entire estate, the rate depending on the size, as follows: On estates from \$10,000 to \$25,000, 1%; \$25,000 to \$50,000, 1½%; \$50,000 to \$100,000, 2%; \$100,000 to \$300,000, 3%; \$300,000 to \$500,000, 5%; \$500,000 to \$1,000,000, 7%; and over \$1,000,000, 10%. Grandparents, parents, husband, wife, child or lineal descendant pay no additional inheritance tax. The inheritance tax rates on shares going to others are shown in Table No. 28. Oregon taxes all property within the State, whether belonging to residents or to non-residents, and taxes all the property of residents located without the State, except real property.

Table No. 28

OREGON

BENEFICIARY	EXEMPTION	RATE										
		To \$500	\$500 to \$1,000	\$1,000 to \$2,000	\$2,000 to \$3,000	\$3,000 to \$4,000	\$4,000 to \$5,000	\$5,000 to \$10,000	\$10,000 to \$25,000	\$25,000 to \$30,000	\$30,000 to \$50,000	Over \$50,000
<b>Class A</b> Brother, sister, uncle, aunt, or any lineal descendant of same.	\$1,000			1%	1%	2%	2%	4%	7%	7%	10%	15%
<b>Class B</b> All others except in Class C.	None.	2%	4%	6%	8%	8%	10%	10%	15%	20%	20%	25%
<b>Class C</b> Gifts to benevolent, charitable and educational corporations or to persons in trust for them, within the State.	Entirely exempt											

PENNSYLVANIA

The Inheritance Tax Law of Pennsylvania is quite simple. There are no exemptions, and the rate is uniformly 5%, except that to parents, husband, wife, child, lineal descendants, adopted child, child of a former spouse, or wife or widow of son the rate is 2%. Property, wherever located, belonging to resident decedents is subject to the tax, while as to non-residents the tax applies to real property, goods, wares or merchandise within the commonwealth, and to shares of domestic corporations and of national banking associations located within the commonwealth.

The tax assessed against the estate of a non-resident decedent is to be such proportion of the tax which the estate would have borne if the decedent had been a resident, as the value of the property within the State bears to the value of the entire estate wherever located.

RHODE ISLAND

*Rhode Island has both an estate tax and an inheritance tax.* The rates and exemptions for both taxes are as set forth in Table No. 29. The tax on the shares is in addition, of course, to the tax on the estate as a whole. The property of non-residents within the State is not taxed, with the exception of real estate. Rhode Island, in applying its tax to the real property of non-residents uses the mathematical rule described in the digest of the tax law of Connecticut (see page 6). Gifts to any corporation, association or institution located in Rhode Island which is exempt from taxation under the laws of the State, or to any corporation located outside the State, which if located in the State would be exempt (eleemosynary institutions) or to any city or town in the State for public purposes, are exempt.

RHODE ISLAND

Table No. 29

BENEFICIARY	EXEMPTION	RATE					
		Over Amount of Exemption but under \$50,000	\$50,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$750,000	\$750,000 to \$1,000,000	Over \$1,000,000
Estate tax (on entire estate).	\$5,000	½%	½%	½%	½%	½%	½%
<b>Class A</b> Grandparents, parents, husband, wife, child, brother, sister, nephew, niece, wife or widow of son, husband or widower of daughter, adopted child, mutual by acknowledged child, lineal descendant.	\$25,000 to widow and minor child; to rest of class, \$25,000 once.	½%	1%	1½%	2%	2½%	3%
<b>Class B</b> All others.	\$1,000	5%	6%	7%	7%	7%	8%

SOUTH CAROLINA

There is no Inheritance Tax Law in force in South Carolina.



SOUTH DAKOTA

South Dakota taxes all the property of resident decedents and all the property within the State belonging to non-resident decedents. Corporations are not permitted to transfer the stock of non-resident decedents without the consent of the Tax Commission, and “no foreign administrator or executor shall assign or transfer any stock or obligation in this State or within its jurisdiction, standing in the name of a non-resident decedent or in trust for a non-resident decedent, without the consent of the Tax Commission first procured . . . and no such assignment or transfer shall be valid until this provision is complied with.” South Dakota, in calculating the tax on non-resident estates, uses the mathematical formula described in the Connecticut digest (see page 6).

The rates and exemptions are as set forth in Table No. 30.

Table No. 30

SOUTH DAKOTA

BENEFICIARY	EXEMPTION	RATE			
		Over Amount of Exemption but under \$15,000	\$15,000 to \$50,000	\$50,000 to \$100,000	Over \$100,000
<b>Class A</b> Wife or lineal issue.	\$10,000	1%	2%	3%	4%
<b>Class B</b> Husband, lineal ancestor, adopted or mutually acknowledged child or lineal issue of same.	Husband or adopted child, \$10,000; lineal ancestors, \$3,000.	2%	4%	6%	8%
<b>Class C</b> Brother, sister or descendant of either, wife or widow of son, husband of daughter.	\$500	3%	6%	9%	12%
<b>Class D</b> Brother, sister of father or mother or descendant of either.	\$200	4%	8%	12%	16%
<b>Class E</b> All others, except Classes F and G.	\$100	5%	10%	15%	20%
<b>Class F</b> Certain charitable, educational institutions.	\$2,500	5%	10%	15%	20%
<b>Class G</b> Gifts for public corporations for strictly county, town or municipal purposes for use within the State.	Entirely exempt				

TENNESSEE

All property of resident decedents of this State is taxable. Non-residents' property within the State is taxable with the following exceptions: (a) money on hand or on deposit; (b) shares of stock, bonds or notes held as collateral to secure any bona fide indebtedness owed by such non-resident to any person firm or corporation in this State; (c) shares of stock, bonds, notes or other evidences of debt where the imposition of an inheritance tax thereon in this State would result in the payment of a second, or double inheritance tax upon such property by reason of the fact that it is subject to the payment of such a tax in the State where the non-resident decedent lived at the time of his death.

Proceeds of life insurance are taxable.

The rates and exemptions are as set forth in Table No. 31.

TENNESSEE

Table No. 31

BENEFICIARY	EXEMPTION	RATE							
		\$1,000 to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$150,000	\$150,000 to \$200,000	\$200,000 to \$250,000	\$250,000 to \$500,000	Over \$500,000
Class A Husband, wife, direct descendants, direct ascendants, or adopted child.	Husband, wife, direct ascend- ants or de- scendants \$10,000 on whole estate.	1%	1½%	2%	3%	3%	3%	3%	5%
Class B All others except Class C.	\$1,000	5%	5%	6%	7%	8%	9%	10%	10%
Class C Gifts for municipal, religious, educational, hospital or charitable purposes.	Entirely exempt								

TEXAS

Texas does not tax property beyond its jurisdiction but imposes its tax on the property within the State of non-resident decedents and on any interests therein. In practice, however, no tax is collected on the transfer of stock of a domestic corporation owned by a non-resident decedent. The rates and exemptions are as set forth in Table No. 32.

TEXAS

Table No. 32

BENEFICIARY	EXEMPTION	RATE							
		\$500 to \$1,000	\$1,000 to \$2,000	\$2,000 to \$10,000	\$10,000 to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
Class A Parents, husband, wife, lineal descendants.	Entirely exempt								
Class B Lineal ascendant, brother or sister or lineal descendant of either.	\$2,000	Exempt	Exempt	2%	2½%	3%	3½%	4%	5%
Class C Uncle or aunt or lineal descendant of either.	\$1,000	Exempt	3%	3%	4%	5%	6%	7%	8%
Class D All others except Class E.	\$500	4%	4%	4%	5½%	7%	8½%	10%	12%
Class E Gifts for public, charitable, educational or religious purposes within the State.	Entirely exempt								



UTAH

Utah has no inheritance tax, but imposes an estate tax which bears only on property within the jurisdiction of the State, and applies to tangible or intangible property belonging to non-resident decedents as well as to resident decedents. As to non-residents, the mathematical rule used in Connecticut is applied. (See page 6). An exemption of \$10,000 is allowed. The rate is 3% up to \$25,000 and 5% above that amount.

VERMONT

Vermont taxes real property of residents which lies within the State and all their personal property wherever situated. Real property located within the State is the only property of non-resident decedents subjected to the tax.

The rates and exemptions are as set forth in Table No. 33.

Table No. 33VERMONT

BENEFICIARY	EXEMPTION	RATE				
		Amounts to \$10,000	\$10,000 to \$25,000	\$25,000 to \$50,000	\$50,000 to \$250,000	Over \$250,000
<b>Class A</b> Husband, wife, child, parent, grandchild, wife or widow of son, husband of daughter, adopted child, stepchild, child of stepchild or adopted child, lineal descendant.	\$10,000	None	1%	2%	4%	5%
<b>Class B</b> All others except Class C.	None	5%	5%	5%	5%	5%
<b>Class C</b> Gifts for charitable, educational, religious or cemetery purposes.	Entirely exempt					

VIRGINIA

Virginia does not go outside its borders in finding the property on which its inheritance tax must be paid, but it levies its tax on property within its borders whether belonging to resident or to non-resident decedents and covers "all property.....real, personal and mixed, and any interest therein." The Auditor of Public Accounts has ruled that the transfer of securities of a domestic corporation or other intangible property of a non-resident decedent is not subject to tax.

The rates and exemptions are as set forth in Table No. 34.

Table No. 34VIRGINIA

BENEFICIARY	EXEMPTION	RATE				
		Excess of Exemption to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	\$500,000 to \$1,000,000	In Excess of \$1,000,000
<b>Class A</b> Husband, wife, lineal ancestors or lineal descendant.	\$10,000	1%	2%	3%	4%	5%
<b>Class B</b> Brother, sister, nephew, niece.	\$4,000	2%	4%	6%	8%	10%
<b>Class C</b> All others except Class D.	\$1,000	5%	7%	9%	12%	15%
<b>Class D</b> Gifts for state, municipal, charitable, educational or religious purposes in the State or for the benefit of institutions in State exempt from taxation.	Entirely exempt					

WASHINGTON

Washington taxes “all property within the jurisdiction of this State, and any interest therein, whether belonging to the inhabitants of this State or not, and whether tangible or intangible.” Corporations cannot transfer stock of non-resident decedents without being liable for the tax thereon; nor may safe deposit companies, banks or other institutions, person or persons, “holding any securities, property or assets of any non-resident decedent,” deliver or transfer “the same to any non-resident executor, administrator or representative of such decedent, until after notice in writing of the time and place of such transfer shall have been duly given to the State Tax Commisioner at least 10 days prior thereto, and the tax imposed by this act paid thereon, and every such safe deposit company,” etc., “shall be liable for the payment of such tax.”

The rates and exemptions are as set forth in Table No. 35.

WASHINGTON

Table No. 35

BENEFICIARY	EXEMPTION	RATE			
		Amount over Exemption but under \$50,000	\$50,000 to \$100,000	\$100,000 to \$250,000	Over \$250,000
<b>Class A</b> Parents, husband, wife, lineal descendant, adopted child or lineal descendant of same.	*\$10,000 of the net estate	1%	2%	3%	5%
<b>Class B</b> Sister, brother, uncle, aunt, nephew or niece.	None	3%	5%	7%	9%
<b>Class C</b> All other persons and corporations except Class D.	None	6%	9%	12%	15%
<b>Class D</b> Gifts for charitable, eleemosynary, municipal, educational or philanthropic purposes.	Entirely exempt				

\*But one exemption to the class is allowed and not to each individual of the class.



WEST VIRGINIA

All property wherever situated, belonging to a resident decedent, and all property within the State, and any interest therein, belonging to a non-resident decedent is subject to the tax. The law specifically provides that as to non-residents the tax shall apply to moneys on deposit in the State, to all “intangible property, including bonds, securities, shares of stock and choses in action, the evidence of ownership to which shall be actually within this State,” and to “the shares of capital stock of all corporations organized and existing under the laws of this State.” Corporations are made liable for the tax if they transfer shares without seeing that the tax is paid.

Personal property without the State belonging to a resident is not taxed by West Virginia when a tax of like character is imposed by the jurisdiction wherein it is located or, if the tax imposed is of less amount than that imposed by West Virginia, then only to the extent of the difference between the tax which would have been due to this State and the tax levied by the foreign jurisdiction. This applies also to all real and all tangible and intangible personal property actually within the State, as well as to stock of a domestic corporation, whether the certificates of shares are within or without the State.

The rates and exemptions are as set forth in Table No. 36.

Table No. 36

WEST VIRGINIA

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption but under \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, child, lineal descendant or ancestor.	Widow, \$15,000; all others, \$10,000.	1%	1½%	2%	2½%	3%
<b>Class B</b> Brother, sister (not including the half blood).	None	3%	4½%	6%	7½%	9%
<b>Class C</b> All other persons or corporations other than Class D.	None	5%	7½%	10%	12½%	15%
<b>Class D</b> Gifts for educational, literary, scientific, religious, charitable, State or municipal purposes to be used within the State.	Entirely exempt					

WISCONSIN

Wisconsin levies its tax on all property of resident decedents, and on all property within the State belonging to non-resident decedents. Transfers of stock cannot be made by foreign representatives without paying the tax and persons controlling the property of non-resident decedents must see that the tax is paid before a transfer is made. The law provides that “where stocks, bonds, mortgage, or other securities of corporations organized under the laws of the State or of foreign corporations, owning property or doing business in this State shall have been transferred by a non-resident decedent, the tax shall be upon such proportion of the value thereof as the property of such corporation in this State bears to the total property of the corporation issuing such stocks,” etc. In taxing non-resident decedents’ estates, Wisconsin uses the mathematical rule explained in the Connecticut digest (see page 6).

Tangible personal property without the State of a resident decedent is not subject to tax provided it has been taxed in the State where located, and the law of such State allows a like exemption to such property left by a resident of that State and located in Wisconsin.

Proceeds of insurance are subject to tax.

The rates and exemptions are as set forth in Table No. 37.

WISCONSIN

Table No. 37

BENEFICIARY	EXEMPTION	RATE				
		Over Amount of Exemption to \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to \$500,000	Over \$500,000
<b>Class A</b> Husband, wife, lineal issue, lineal ancestor, adopted or mutually acknowledged child or issue of either.	Widow, \$10,000; all oth- ers, \$2,000.	1%	2%	3%	4%	5%
<b>Class B</b> Brother, sister, descendant of either, wife or widow of son, husband of daughter.	\$500	2%	4%	6%	8%	10%
<b>Class C</b> Uncle, aunt or descendant of either.	\$250	3%	6%	9%	12%	15%
<b>Class D</b> Brother or sister of grandfather or grandmother, or descendant of either.	\$150	4%	8%	12%	*16%	*20%
<b>Class E</b> All others except Class F.	\$100	5%	10%	15%	*20%	*25%
<b>Class F</b> Gifts for counties and municipalities within State, for charitable, educational or religious purposes within the State.	Entirely exempt					

\*But not to exceed 15% on the entire amount transferred to any individual.

WYOMING

Wyoming taxes all property of resident decedents and all property within the State “or any interest therein on income therefrom” belonging to non-resident decedents. An estate of less than \$500 is not subject to the tax. There is an exemption of \$10,000 for parents, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted child, mutually acknowledged child and lineal descendants, and the rate for these is 2%. For all others the rate is 5% and there is no exemption.

All information given herein is from official sources, or from those which we regard as reliable; but in no event are the statements herein contained to be regarded as our representations.



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**Victory Liberty Loan Notes**

(Tax Exemption Features Summarized on Page 18)

Original Issues of Each Loan Fully  
 Described and where Conversion Priv-  
 ilege Granted Comparison made with  
 Issues into which they may be Converted



VICTORY  
 LIBERTY  
 LOAN  
 4<sup>1</sup>/<sub>2</sub>%  
 and 3<sup>1</sup>/<sub>2</sub>%

THIRD  
 LIBERTY  
 LOAN  
 4<sup>1</sup>/<sub>2</sub>%

SECOND  
 LIBERTY  
 LOAN  
 4%  
 and  
 4<sup>1</sup>/<sub>2</sub>%  
 into  
 which  
 they may  
 be  
 Converted

FIRST  
 LIBERTY  
 LOAN  
 3<sup>1</sup>/<sub>2</sub>% and 4%  
 and  
 4<sup>1</sup>/<sub>2</sub>%  
 into  
 which  
 they may  
 be  
 Converted

FOURTH  
 LIBERTY  
 LOAN  
 4<sup>1</sup>/<sub>2</sub>%

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