

## CHAPTER 60.

## AN ACT

(H. B. 11)

Providing for taxation of and fixing the rate of taxation on inheritances, devises, bequests, legacies, transfers and gifts made in contemplation of death, or intended to take effect in possession or enjoyment at or after death, and providing for the manner of the enforcement of the payment thereof.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. A tax shall be, and is hereby, imposed upon any transfer of property, real, personal or mixed, or any interest therein, or income therefrom in trust or otherwise, to any person, association or corporation, except town or municipal corporation, within the Territory, for strictly town or municipal purposes, in the following cases:

(1) When the transfer is by will or by intestate laws of this Territory from any person dying possessed of the property while a resident of the Territory.

(2) When a transfer is by will or intestate law, of property within the Territory, or within its jurisdiction and the decedent was a non-resident of the Territory at the time of his death.

(3) When the transfer is of property made by a resident or by a non-resident when such non-resident's property is within this Territory, or within its jurisdiction, by deed, grant, bargain, sale or gift, made in contemplation of the death of the grantor, vendor or donor, or intended to take effect in possession or enjoyment at or after such death.

(4) Such tax shall be imposed when any such person or corporation become beneficially entitled in possession or expectancy to any property or the income thereof, by any such transfer whether made before or after the passage of this Act.

(5) Whenever any person or corporation shall exercise a power of appointment derived from any dis-

Tax imposed on inheritance

Classification of transfers subject to tax

position of property made either before or after the passage of this Act, such appointment when made shall be deemed a transfer taxable under the provisions of this Act, in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power and had been bequeathed or devised by such donee by will; and whenever any person or corporation possessing such a power of appointment so derived shall omit or fail to exercise the same, within the time provided therefor, in whole or in part, a transfer, taxable under the provisions of this Act, shall be deemed to take place, to the extent of such omission or failure, in the same manner as though the person or corporation thereby becoming entitled to the possession or enjoyment of the property to which such power related, had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure

How tax shall  
be computed

Section 2. The tax so imposed shall be computed upon the true and full value in money of such property at the rates hereinafter prescribed and only upon the excess of the exemptions hereinafter granted.

Classification of  
rates

Section 2a When the property or any beneficial interest therein passes by any such transfer where the amount of the property shall exceed in value the exemption hereinafter specified and shall not exceed in value Fifteen Thousand Dollars (\$15,000.00), the tax hereby imposed shall be:

Rate of taxation  
on property  
valued at less  
than \$15,000.

(1) Where the person entitled to any beneficial interest in such property shall be the wife or lineal issue, at the rate of one per centum of the clear value of such interest in such property.

(2) Where the person or persons entitled to any beneficial interest in such property shall be the husband, lineal ancestor of the decedent or any child adopted as such in conformity with the laws of this Territory or any child to whom such decedent for not

less than ten (10) years prior to such transfer stood in mutually acknowledged relation of a parent; Provided, however, such relationship began at or before the child's fifteenth birthday, and was continuous for said ten (10) years thereafter, or any lineal issue of such adopted or mutually acknowledged child, at the rate of one and one-half per centum of the clear value of such interest in such property.

(3) Where the person or persons entitled to any beneficial interest in such property shall be a brother or sister or a descendant of a brother or sister of the decedent, a wife or widow of a son or the husband of a daughter of the decedent, at the rate of three (3) per centum of the clear value of such interest in such property.

(4) Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the father or mother or a descendant of a brother or sister of the father or mother of the decedent, at the rate of four (4) per centum of the clear value of such interest in such property.

(5) Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate, at the rate of five (5) per centum of the clear value of such interest in such property.

Section 2b. The foregoing rates in Section 2a are for convenience termed primary rates.

When the amount of the clear value of such property or interest exceeds Fifteen Thousand Dollars (\$15,000.00), the rates of tax upon the excess shall be as follows:

Rate of taxation  
on property  
valued at over  
\$15,000

(1) Upon all excess of Fifteen Thousand Dollars (\$15,000.00) and up to Thirty Thousand Dollars (\$30,000.00), two (2) times the primary rates.

(2) Upon all excess of Thirty Thousand Dollars

(30,000.00) and up to Fifty Thousand Dollars (\$50,000.00), two and one half ( $2\frac{1}{2}$ ) times the primary rates.

(3) Upon all in excess of Fifty Thousand Dollars (\$50,000.00) and up to One Hundred Thousand Dollars (\$100,000.00), three (3) times the primary rates.

(4) Upon all in excess of One Hundred Thousand Dollars (\$100,000.00), three and one-half ( $3\frac{1}{2}$ ) times the primary rates.

Exemptions from  
tax and classifi-  
cation

Section 2c. The following exemptions from the tax are hereby allowed:

(1) All property transferred to municipal corporations within the Territory for strictly town or municipal purposes, shall be exempt.

(2) Property of the clear value of Ten Thousand Dollars (\$10,000.00), transferred to the widow of the decedent or husband of the decedent, each of the lineal issue of the decedent, or any child adopted as such in conformity with the laws of this Territory, or any child to whom the decedent for not less than ten (10) years prior to such transfer, stood in the mutually acknowledged relation of a parent; Provided, however, such relationship began at or before the child's fifteenth birthday, and was continuous for said ten (10) years thereafter, or any lineal issue of such adopted or mutually acknowledged child, shall be exempt.

(3) Property of the clear value of Three Thousand Dollars (\$3,000.00), transferred to each of the lineal ancestors of the decedent, shall be exempt.

(4) Property of the clear value of One Thousand Dollars (\$1,000.00), transferred to each of the persons described in the third subdivision of Section 2a, shall be exempt.

(5) Property of the clear value of two Hundred and Fifty Dollars (\$250.00), transferred to each of the persons described in the fourth subdivision of Section 2a, shall be exempt.

(6) Property of the clear value of One Hundred

Dollars (\$100.00), transferred to each of the persons and corporations described in the fifth subdivision of Section 2a, shall be exempt; Provided, however, that property of the clear value of Two Thousand Five Hundred Dollars (\$2,500.00), transferred to a public hospital, academy, college, university, seminary of learning, church or institution of purely charity within this Territory, shall be exempt.

Section 3. The tax imposed by this Act shall take effect as and upon the death of the person from whom the transfer is made, and shall be due and payable as soon as the amount thereof shall be determined as hereinafter provided. When tax due

Section 4. For the purposes of the collection and enforcement of the payment of the taxes herein imposed, the Territory of Alaska shall, for all purposes, be deemed and considered as a general creditor, and shall be and hereby is vested with all and singular the rights and privileges that are now conferred upon creditors of a deceased person, except that upon fixing the value of the property and the amount of the tax to which the persons beneficially interested therein are liable, it shall not be necessary to present to the administrator or executor any claim thereof. Territory general creditor to amount tax

Section 5. It shall be, and hereby is, made the duty of any executor or administrator, upon the issuance of letters to him, and within thirty (30) days thereafter, to make, under oath, an inventory of all the property coming into his hands or into his possession as such administrator or executor. Such inventory shall contain a separate statement of any and all property specified in subdivisions 1, 2, 3, 4, and 5 of Section One of this Act. The said inventory shall be in duplicate, one copy of which shall be filed in the office of the clerk of the probate court wherein the probate of the estate of the decedent is being conducted, and one copy Administrator to make inventory of property

thereof shall be posted in the probate court room, in which the probate of the estate of the decedent is being conducted.

Inventory in addition to general inventory

Section 6. The inventory referred to in Section Five hereof, shall be separate and distinct from the inventory now required by law to be filed in the probate of an estate, and shall be in addition thereto.

Appraisement

Section 7. Upon the filing of the inventory required by Section Seven (Five) of this Act, the court shall by order, fix a time at which he will appraise the estate for the purpose of inheritance taxation, which shall be not less than thirty (30) days nor more than sixty (60) days from the date of the order. A copy of such order shall, within three (3) days thereafter, be served upon the administrator or executor.

Hearing to fix values of taxable property

Section 8. At the time fixed by the order, the court shall, in all cases, fix the value of all property transferred as hereinbefore provided, as to the date of the death of the decedent. The hearing thereon shall be had, and all questions of fact determined, in the same manner as is now provided by law for the determination of any question of fact, in the probate courts of this Territory. The Attorney General of the Territory of Alaska shall have the right to appear at such hearing, for and on behalf of the Territory. Evidence upon all matters pertinent to the extent of the property of the decedent, the manner of the transfer thereof and its value shall be received by the court.

Appeals

Section 9. The Territory of Alaska, or any person interested in said estate, shall have the right to appeal from the findings or order of the court, to the district court of the judicial division in which the probate is pending, in like manner and to the same effect as is now provided by law for appeals from the probate court in probate matters. Provided, however, that when the appeal is taken by the Territory of Alaska,

it shall only be necessary to file in the matter, a notice of appeal. When the appeal is taken by the executor, administrator or person interested in the estate, in addition to the steps now required by law, such appellant shall furnish a bond, with sureties to be approved by the court, in an amount to be fixed by the court, conditioned that the appeal will be prosecuted with diligence, that the appellant will pay any and all costs adjudged against him or the estate on such appeal, and will pay all taxes adjudged to be due by the appellate court.

When any transfer is made in trust for any person or persons, or corporation or corporations, and the right of the beneficiaries of said trust to receive the property embraced in said trust is susceptible of present valuation, then, in such case, the tax thereon shall be paid at the same time and in the same manner, and in like amount that would be the case, if the beneficiaries of such trust received the same directly from the decedent or the persons from whom the property is transferred.

Transfer in trust  
—when payable

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.

Estates for life  
or years

Estates in expectancy, which are contingent or defeasible and in which proceedings for the determination of the amount of the tax have not been taken or where the taxation thereof has been taken or where the taxation thereof has been held in abeyance, shall be fixed at their full, undiminished value when the persons entitled thereto shall come into the beneficial enjoyment or possession thereof, without diminution (diminution) for or on account of any valuation thereof made of the particular estates for the purpose of taxation, upon which said estates in expectancy may have been limited.

Estates in expectancy

Costs taxed  
against estate

Section 10. All costs made or incurred in any manner whatsoever in estimating and determining the true value of the property for the purposes of taxation and of fixing the amount of such tax, shall be taxed against the estate by the court, as a part of the costs of the probate of the estate. And the amount of the tax so fixed shall be paid as hereinafter provided without deduction for any purpose.

When tax pay-  
able

Section 11. Any administrator, executor or trustee, having in charge or in trust any property for distribution embraced in or belonging to any inheritance, devise, bequest, legacy or gift, subject to the tax thereon as imposed by this Act, shall deduct the tax therefrom, and within thirty (30) days thereafter shall pay the same over to the Territorial Treasurer as herein provided.

Tax collectible  
on value

If such property be not in money, he shall collect the tax on such inheritance, devise, bequest, legacy, or gift upon the value thereof, from the person entitled thereto.

He shall not deliver, or be compelled to deliver, any property embraced in any inheritance, devise, bequest, legacy or gift, subject to taxation under this Act, to any person until he shall have collected the tax thereon.

Power in execu-  
tor to sell  
property for  
payment

Section 12. Every executor, administrator or trustee shall have full power to sell so much of the property embraced in any inheritance, devise, bequest or legacy as will enable him to pay the tax imposed by this Act, in the same manner as he might be entitled by law to do for the payment of the debts of a testator or intestate.

No distribution  
until tax paid

No decree of distribution shall be entered in any probate matter, until the taxes herein provided for shall have been paid. Any decree of distribution, entered in violation of the provisions of this section shall be absolutely void.

Section 13. If such tax shall not be paid within one (1) year from the date of the death of the decedent, interest shall be collected thereon at the rate of seven (7) per centum from the date of the death of the decedent, unless, by reason of claims against the estate, necessary litigation or other unavoidable cause of delay, such tax cannot be determined as herein provided; in such case interest, at the rate of six (6) per centum per annum, shall be charged upon such tax from the date of the death of the decedent until the cause of delay is removed, after which seven (7) per centum shall be charged.

Interest to be collected—when

If the tax shall be paid in full prior to the expiration of one (1) year from the date of the death of the decedent, interest at the rate of six (6) per centum per annum shall be charged.

Section 14. Any court of competent jurisdiction is hereby authorized and empowered to issue a citation to any person upon its own motion or upon the application of the Attorney General, or in the absence of the Attorney General, such attorney as the Governor of Alaska may appoint for such purpose, whom he may believe has any knowledge or information concerning any property, which he believes, or has reason to believe, has been transferred by any such person as to which there is or may be a tax due to the Territory under the provisions of this Act, and by such citation require such person to appear before said court at a time and place to be designated in such citation, and testify under oath to any fact or information within his knowledge, touching the quantity, value and description of any such property and its ownership and the disposition thereof which may have been made by any person, and to produce and submit to the inspection of the Attorney General, or in the absence of the Attorney General, to such attorney as the Governor may appoint for such purpose, all books, records, ac-

Citation for information to issue on motion Attorney General

Inspection of books, records and papers

counts or documents in the possession of or under the control of any person so cited. The Attorney General, or in the absence of the Attorney General, such attorney as the Governor of Alaska may appoint for such purpose, shall also have power to inspect and examine the books, records and accounts of any person, firm or corporation, including the stock transfer book of any corporation, for the purpose of acquiring any information deemed necessary or desirable by him for the proper enforcement of this Act and the collection of the full amount of tax which may be due to the Territory hereunder. Any and all information acquired by the Attorney General, or in the absence of the Attorney General, such attorney as the Governor of Alaska may appoint for such purpose, under and by virtue of the means and methods provided for by this section, shall be deemed and held by him as confidential and shall not be disclosed by him except so far as the same may be necessary for the enforcement of the provisions of this Act.

Information derived confidential

Witness fees on citation

Witnesses so cited before the said court, and any marshal or other officer serving such citation, shall receive the same fees as are allowed in civil actions pending in the probate court.

When tax payable

Section 15. The taxes paid and collected under the provisions of this Act shall be transmitted by the commissioners to the Treasurer of the Territory of Alaska within thirty (30) days after the collection thereof.

Approved May 5, 1919.