

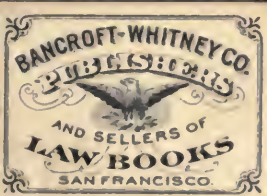
A
0
0
0
6
9
2
0
7
3
0



U.S. SOUTHERN REGIONAL LIBRARY FACILITY

INHERITANCE TAXES
For
INVESTORS

T
B2213:
1911



THE LIBRARY
OF
THE UNIVERSITY
OF CALIFORNIA
LOS ANGELES

SCHOOL OF LAW

GIFT OF

Robert A. Waring



Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

INHERITANCE TAXES

FOR
INVESTORS

Some practical notes on the inheritance tax laws of
each of the states of the United States, with
particular reference to their application
to non-resident investors

A reproduction of a series of articles published in the Boston
News Bureau in February and March, 1911

Revised and Annotated by
HUGH BANCROFT
(Of the Massachusetts Bar)

Price - - One Dollar

BOSTON
BOSTON NEWS BUREAU COMPANY
1911

T
E. 22136
1911

COPYRIGHT, 1911, by
BOSTON NEWS BUREAU COMPANY

G47
8-27-57
G-57

28 Aug. 19

PREFACE.

This is a collection of a series of articles published in the Boston News Bureau in February and March, 1911. They were prepared for the purpose of showing to investors how seriously they may be affected by the inheritance tax laws of every state in the country as well as the one in which they happen to live. It was also hoped that they might be of some help to the movement for the adoption of a uniform law that will do away with the double taxation which is such a frequent result of the working of the present laws.

The articles are reproduced with almost no change in substance, and in the order in which they were first printed. The fact that they were originally a series of newspaper articles accounts for the prevalence of the editorial "we."

Though this is intended to be only a handbook for investors and those called upon to advise about investments, it is hoped that it may be found useful as well by attorneys who wish to obtain some familiarity with the situation. For that reason, citations have been made of some of the more important cases. In preparing these articles the statutes were examined to Jan. 1, 1911, and there have been no material changes since then.

H. B.

March 15, 1911.

Advantage has been taken of a second imprint to note changes effected or pending in Maine, New Hampshire, Massachusetts, New York and Washington.

H. B.

July 1, 1911.

TABLE OF CONTENTS.

Chapter		Page																																																																																
I	THE RECENT DEVELOPMENT OF INHERITANCE TAXATION	7																																																																																
II	INHERITANCE TAX LAWS NOW ENACTED BY 38 STATES—DIRECT AND COLLATERAL INHERITANCES DISTINGUISHED	10																																																																																
III	RATES OF TAX AND EXEMPTIONS	13																																																																																
IV	THE STATES WHICH TAX SECURITIES OWNED BY NON-RESIDENTS	16																																																																																
V	SOME GENERAL RULES—THE STATES WHERE DOUBLE TAXATION IS MOST CONSPICUOUS	21																																																																																
VI	THE STATES WHICH HAVE NO INHERITANCE TAX LAWS	26																																																																																
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center;">Page</th> <th style="width: 50%;"></th> <th style="text-align: center;">Page</th> </tr> </thead> <tbody> <tr> <td>ALABAMA</td> <td style="text-align: center;">26</td> <td>INDIANA</td> <td style="text-align: center;">29</td> </tr> <tr> <td>DIST. OF COL.</td> <td style="text-align: center;">27</td> <td>MISSISSIPPI</td> <td style="text-align: center;">29</td> </tr> <tr> <td>RHODE ISLAND</td> <td style="text-align: center;">27</td> <td>NEVADA</td> <td style="text-align: center;">29</td> </tr> <tr> <td>ARIZONA</td> <td style="text-align: center;">28</td> <td>NEW MEXICO</td> <td style="text-align: center;">29</td> </tr> <tr> <td>FLORIDA</td> <td style="text-align: center;">28</td> <td>SOUTH CAROLINA</td> <td style="text-align: center;">29</td> </tr> <tr> <td>GEORGIA</td> <td style="text-align: center;">28</td> <td></td> <td></td> </tr> </tbody> </table>		Page		Page	ALABAMA	26	INDIANA	29	DIST. OF COL.	27	MISSISSIPPI	29	RHODE ISLAND	27	NEVADA	29	ARIZONA	28	NEW MEXICO	29	FLORIDA	28	SOUTH CAROLINA	29	GEORGIA	28																																																							
	Page		Page																																																																															
ALABAMA	26	INDIANA	29																																																																															
DIST. OF COL.	27	MISSISSIPPI	29																																																																															
RHODE ISLAND	27	NEVADA	29																																																																															
ARIZONA	28	NEW MEXICO	29																																																																															
FLORIDA	28	SOUTH CAROLINA	29																																																																															
GEORGIA	28																																																																																	
VII	THE STATES WHICH HAVE INHERITANCE TAX LAWS	30																																																																																
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center;">Page</th> <th style="width: 50%;"></th> <th style="text-align: center;">Page</th> </tr> </thead> <tbody> <tr> <td>PENNSYLVANIA</td> <td style="text-align: center;">30</td> <td>NEBRASKA</td> <td style="text-align: center;">76</td> </tr> <tr> <td>VIRGINIA</td> <td style="text-align: center;">33</td> <td>WISCONSIN</td> <td style="text-align: center;">78</td> </tr> <tr> <td>MARYLAND</td> <td style="text-align: center;">34</td> <td>CALIFORNIA</td> <td style="text-align: center;">81</td> </tr> <tr> <td>DELAWARE</td> <td style="text-align: center;">35</td> <td>IDAHO</td> <td style="text-align: center;">83</td> </tr> <tr> <td>OHIO</td> <td style="text-align: center;">36</td> <td>MINNESOTA</td> <td style="text-align: center;">84</td> </tr> <tr> <td>MISSOURI</td> <td style="text-align: center;">37</td> <td>MONTANA</td> <td style="text-align: center;">86</td> </tr> <tr> <td>MASSACHUSETTS</td> <td style="text-align: center;">38</td> <td>NORTH DAKOTA</td> <td style="text-align: center;">88</td> </tr> <tr> <td>NEW YORK</td> <td style="text-align: center;">44</td> <td>SOUTH DAKOTA</td> <td style="text-align: center;">89</td> </tr> <tr> <td>OKLAHOMA</td> <td style="text-align: center;">50</td> <td>COLORADO</td> <td style="text-align: center;">90</td> </tr> <tr> <td>MAINE</td> <td style="text-align: center;">53</td> <td>UTAH</td> <td style="text-align: center;">92</td> </tr> <tr> <td>NEW HAMPSHIRE</td> <td style="text-align: center;">56</td> <td>OREGON</td> <td style="text-align: center;">93</td> </tr> <tr> <td>VERMONT</td> <td style="text-align: center;">58</td> <td>WYOMING</td> <td style="text-align: center;">95</td> </tr> <tr> <td>ILLINOIS</td> <td style="text-align: center;">60</td> <td>MICHIGAN</td> <td style="text-align: center;">96</td> </tr> <tr> <td>CONNECTICUT</td> <td style="text-align: center;">63</td> <td>WEST VIRGINIA</td> <td style="text-align: center;">98</td> </tr> <tr> <td>NORTH CAROLINA</td> <td style="text-align: center;">67</td> <td>KENTUCKY</td> <td style="text-align: center;">101</td> </tr> <tr> <td>TENNESSEE</td> <td style="text-align: center;">69</td> <td>NEW JERSEY</td> <td style="text-align: center;">103</td> </tr> <tr> <td>ARKANSAS</td> <td style="text-align: center;">70</td> <td>LOUISIANA</td> <td style="text-align: center;">106</td> </tr> <tr> <td>TEXAS</td> <td style="text-align: center;">72</td> <td>IOWA</td> <td style="text-align: center;">109</td> </tr> <tr> <td>KANSAS</td> <td style="text-align: center;">74</td> <td>WASHINGTON</td> <td style="text-align: center;">111</td> </tr> </tbody> </table>		Page		Page	PENNSYLVANIA	30	NEBRASKA	76	VIRGINIA	33	WISCONSIN	78	MARYLAND	34	CALIFORNIA	81	DELAWARE	35	IDAHO	83	OHIO	36	MINNESOTA	84	MISSOURI	37	MONTANA	86	MASSACHUSETTS	38	NORTH DAKOTA	88	NEW YORK	44	SOUTH DAKOTA	89	OKLAHOMA	50	COLORADO	90	MAINE	53	UTAH	92	NEW HAMPSHIRE	56	OREGON	93	VERMONT	58	WYOMING	95	ILLINOIS	60	MICHIGAN	96	CONNECTICUT	63	WEST VIRGINIA	98	NORTH CAROLINA	67	KENTUCKY	101	TENNESSEE	69	NEW JERSEY	103	ARKANSAS	70	LOUISIANA	106	TEXAS	72	IOWA	109	KANSAS	74	WASHINGTON	111	
	Page		Page																																																																															
PENNSYLVANIA	30	NEBRASKA	76																																																																															
VIRGINIA	33	WISCONSIN	78																																																																															
MARYLAND	34	CALIFORNIA	81																																																																															
DELAWARE	35	IDAHO	83																																																																															
OHIO	36	MINNESOTA	84																																																																															
MISSOURI	37	MONTANA	86																																																																															
MASSACHUSETTS	38	NORTH DAKOTA	88																																																																															
NEW YORK	44	SOUTH DAKOTA	89																																																																															
OKLAHOMA	50	COLORADO	90																																																																															
MAINE	53	UTAH	92																																																																															
NEW HAMPSHIRE	56	OREGON	93																																																																															
VERMONT	58	WYOMING	95																																																																															
ILLINOIS	60	MICHIGAN	96																																																																															
CONNECTICUT	63	WEST VIRGINIA	98																																																																															
NORTH CAROLINA	67	KENTUCKY	101																																																																															
TENNESSEE	69	NEW JERSEY	103																																																																															
ARKANSAS	70	LOUISIANA	106																																																																															
TEXAS	72	IOWA	109																																																																															
KANSAS	74	WASHINGTON	111																																																																															

TABLE OF CONTENTS.

Chapter		Page
VIII	A MOVEMENT FOR A UNIFORM INHERITANCE TAX LAW	113
IX	SOME MATTERS NOT TOUCHED UPON—THE POSITION OF TRUST CERTIFICATES— EFFORTS TO AVOID DOUBLE TAXATION	116
X	CANADA	120
APPENDIX	. . . . .	125
	LIST OF CORPORATIONS	127
INDEX	. . . . .	139

THE NEW YORK INHERITANCE TAX LAW OF 1911.

The new inheritance tax law of New York took effect July 21, 1911. It substantially reduces the rates of tax but leaves them higher than they were before 1910.

The law of 1911 provides for the following taxes:

Direct Inheritances

including inheritances to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted, or mutually acknowledged child, lineal descendant:

First	\$5,000				Exempt
Excess over	\$5,000 up to	\$50,000			1%
Excess over	50,000 up to	250,000			2%
Excess over	250,000 up to	1,000,000			3%
Excess over	1,000,000				4%

Collateral Inheritances

including inheritances to persons other than those enumerated above:

First	\$1,000				Exempt
Excess over	\$1,000 up to	\$50,000			5%
Excess over	50,000 up to	250,000			6%
Excess over	250,000 up to	1,000,000			7%
Excess over	1,000,000				8%

The exemptions apply to each inheritance rather than to the estate as a whole.

The law of 1910 and the earlier laws as well, taxed non-residents on stocks of New York corporations and on bank deposits and bonds kept in safe deposit boxes within the state.

All this is done away with by the new law of 1911. It is expressly provided that the inheritance tax in the case of non-residents shall be collected only on "tangible property" within the state. "Tangible property" is defined as such property as real estate, and goods, wares, and merchandise, and is not to be taken to mean money, deposits in banks, shares of stocks or bonds.

Residents of New York are to pay an inheritance tax on all their intangible property wherever situated and on their tangible property located within the state. Intangible property is defined as such property as money, bank deposits, shares of stocks, bonds and notes.

These provisions put to an end the double taxation of non-residents so far as New York is concerned. They closely follow the model inheritance tax law recommended by the International Tax Conference. (See page 115 *infra*.)

The example set by New York may lead other states which are trying to tax non-residents to come into line. A resident of New York state still may be liable for a double inheritance tax if he owns stock of a company incorporated in a state which is taxing the stock of its corporations when owned by non-residents. If these states do not come in line, New York may yet adopt retaliatory measures such as are already found in half a dozen other states, for the protection of her own citizens.

INHERITANCE TAXES.

CHAPTER I.

THE RECENT DEVELOPMENT OF INHERITANCE TAXATION.

There are few questions so important to far-sighted investors as that of inheritance taxes, and there are few subjects so little understood. This is not in the least surprising. A survey of the situation in the United States is like a journey through a chaos, peopled by sovereign states, each, wolf-life, seeking some pretext to take for itself a bit out of every estate that comes along.

Most of the inheritance tax legislation is new—the Acts in 19 states were passed in 1909 and 1910. Much of it is ill-considered—a state enacts a law patterned after that of another without having much idea what it means. Different officials in the same state read the law differently and many of the most important questions have not yet been passed upon by the courts.

Until a comparatively short time ago few states taxed inheritances. Those that did were modest in their demands, and the payment of an inheritance tax to any except the deceased's home state was almost unknown.

Now all but ten states have an Inheritance Tax Law of some sort; 25% is regarded as an equitable figure for large estates in some quarters; and tax attorneys are employed to try to collect from estates of men who never lived in a state and never owned a bit of property physically within the state.

Most of these laws have been passed within a dozen years, and under them the claim has been quite generally asserted and enforced that the state of incorporation is entitled to an inheritance tax on stock owned by a non-resident, and in some cases on bonds as well.

As the state of residence (with few exceptions) in no way relinquishes or modifies its tax on this account, it has become fairly common for estates to pay inheritance taxes twice on the same shares of stock.

Even this is not enough. A corporation is organized in one state, does all its business in another, and the stockholder lives in a third. We find the second state in several instances seeking to tax the shares as well as the other two. If such a corporation owns property in several states there are splendid possibilities for the tax gatherers, though no state in the case of a corporation organized elsewhere has gone further than to claim a tax based on the proportion of the value of the property within the state, to the entire property of the corporation.

On the other hand, some states allow credit for payments made to other states; exempted amounts are often so liberal that ordinary investment holdings escape; and taxes on property going to near relatives are frequently not onerous.

Collateral relatives and strangers seem to be generally considered fair game, and two states have singled out the non-resident alien, one for a 20% tax, the other for 25%. It should be said that the Supreme Court of the latter state (Washington) has held this invalid.

In the preparation of these articles the statutes and decisions of all the states have been examined down to January 1, 1911. As the courts in most of the states have not passed upon the questions that most affect non-residents, and the language of the statutes themselves is seldom specific as to their applica-

tion to non-residents, information has been sought from the tax commissioner, attorney-general or other appropriate officer to find out how the tax authorities in each state are construing their own law. In very few states is there any well-established practice in inheritance tax matters, and many of the present rulings may be changed at any time by the courts or by the tax authorities themselves.

CHAPTER II.

INHERITANCE TAX LAWS NOW ENACTED BY 38 STATES— DIRECT AND COLLATERAL INHERITANCES DISTINGUISHED.

Before entering the maze of inheritance tax legislation, the investor can somewhat simplify his problem by a process of elimination.

Inheritance tax laws, as a rule, tax all property, real or personal, situated within the state whether owned by a resident or non-resident, and also personal property of a resident which is situated without the state.

Such laws have been enacted by all but ten states, and the District of Columbia. The investor may then become fully posted as to the future of his estate so far as the states of the Union are concerned, by the study of 38 enactments, adding Hawaii and Porto Rico if he chooses. There is yet a chance that his labors may be further simplified, for 13 of the states exempt direct inheritances and tax only collateral inheritances.

By a direct inheritance is meant, usually, property passing to a father, mother, husband, wife, child (including adopted child) and lineal descendant. Some states include brothers and sisters and also the wife of a son and husband of a daughter. By a collateral inheritance is meant property passing to other more distant relatives or to strangers.

If the investor is satisfied to have his property "stay in the family," he may reduce his labors to the study of 25 enactments.

The United States government itself at the present time imposes no inheritance tax. Such laws were in force, however, as war revenue measures from 1862 to 1872 and again from 1898

to 1902. The federal government has full power at any time to impose its own tax on inheritances in addition to the state taxes.¹

The following table indicates what states have an inheritance tax, what states tax direct inheritances and what states tax collateral inheritances:

State:	Inheritance tax law?	Direct inht. tax?	Collat. inht. tax?
Alabama	No	No	No
Arizona	No	No	No
Arkansas	Yes	Yes	Yes
California	Yes	Yes	Yes
Colorado	Yes	Yes	Yes
Connecticut	Yes	Yes	Yes
Delaware	Yes	No	Yes
District of Columbia	No	No	No
Florida	No	No	No
Georgia	No	No	No
Hawaii	Yes	Yes	Yes
Idaho	Yes	Yes	Yes
Illinois	Yes	Yes	Yes
Indiana	No	No	No
Iowa	Yes	No	Yes
Kansas	Yes	Yes	Yes
Kentucky	Yes	No	Yes
Louisiana	Yes	Yes	Yes
Maine	Yes	Yes	Yes
Maryland	Yes	No	Yes
Massachusetts	Yes	Yes	Yes
Michigan	Yes	Yes	Yes
Minnesota	Yes	Yes	Yes
Mississippi	No	No	No
Missouri	Yes	No	Yes
Montana	Yes	Yes	Yes
Nebraska	Yes	Yes	Yes
Nevada	No	No	No
New Hampshire	Yes	No	Yes
New Jersey	Yes	No	Yes
New Mexico	No	No	No
New York	Yes	Yes	Yes
North Carolina	Yes	Yes	Yes

¹ Knowlton vs. Moore, 178 U. S. 41.

cf President Roosevelt's message of Dec. 4, 1906. "There is every reason why, when our system of taxation is revised, the National Government should impose a graduated inheritance tax."

State:	Inheritance tax law?	Direct inht. tax?	Collat. inht. tax?
North Dakota	Yes	No	Yes
Ohio	Yes	No	Yes
Oklahoma	Yes	Yes	Yes
Oregon	Yes	Yes	Yes
Pennsylvania.....	Yes	No	Yes
Porto Rico	Yes	Yes	Yes
Rhode Island	No	No	No
South Carolina	No	No	No
South Dakota†	Yes†	Yes†	Yes†
Tennessee	Yes	Yes	Yes
Texas	Yes	No	Yes
Utah	Yes	Yes	Yes
Vermont.....	Yes	No	Yes
Virginia	Yes	No	Yes
Washington	Yes	Yes	Yes
West Virginia	Yes	Yes	Yes
Wisconsin	Yes	Yes	Yes
Wyoming	Yes	Yes	Yes

†South Dakota. The inheritance tax law has been held unconstitutional in the State Supreme Court, but a re-hearing has been granted, and the matter is still pending.

CHAPTER III.

RATES OF TAX AND EXEMPTIONS.

The principle of exempting small inheritances from any tax is very generally recognized, but there is, as might be expected a wide diversity in the amount of the exemption and in the rates of tax.

In nearly every state direct inheritances are treated much more liberally than collateral inheritances, both as to rates and as to exemptions.

Thirteen of the 38 states with inheritance tax laws exempt direct inheritances altogether. All but Minnesota and Utah tax direct inheritances at a lower rate, and all but Minnesota, North Carolina and Utah grant larger exemptions to direct inheritances than to collateral inheritances.

As many of the states have complicated schemes of graduated rates and exemptions, there is some difficulty in presenting a simple, comparative table. The appended table shows the extreme range of rates and exemptions.

On direct inheritances 1% is the favorite rate, and \$10,000 is the common exemption. The husband or wife and children are most favored where there are graduated rates, and large inheritances are taxed more than small ones. 5% is the maximum tax on any direct inheritance and this figure is levied in only four states.

On collateral inheritances the common minimum rate is 5%, with maximum rates running up to 10, 15, and in New York 25%. Exemptions seldom exceed \$500, though four states

exempt \$10,000, and one state \$25,000. When the rates and exemptions are graduated, nearness of relationship is usually considered, and the heavy rates are imposed on large inheritances. New York's 25% rate, for instance, applies only to the excess on collateral inheritances over \$1,000,000.

It is almost invariably the size of the inheritance, not the size of the estate, that determines the tax. Thus an estate of \$30,000 passing in three equal shares to the widow and two children, in a state with an exemption of \$10,000, would pay no tax; that is, unless property is specifically devised, it is usually taxed as though a pro rata share were given to each beneficiary of the estate. The table follows:

	Direct inheritances		Collateral inheritances	
	Rate	Exemption	Rate	Exemption
Alabama . . .	..	Not taxed	..	Not taxed
Arizona . . .	..	Not taxed	..	Not taxed
Arkansas* ..	1%	\$5,000	2@6%	\$1,000-2,000
California ..	1@3%	4,000-10,000	1½@15%	500-2,000
Colorado . . .	2%	10,000	3@10%	500
Conn* a. . . .	1%	10,000	5%	Nothing
Delaware . . .	..	Not taxed	1@5%	500
Dist of Col ..	..	Not taxed	..	Not taxed
Florida . . . .	..	Not taxed	..	Not taxed
Georgia . . . .	..	Not taxed	..	Not taxed
Hawaii	2%	1,000	5%	500
Idaho	1@3%	4,000-10,000	1½@15%	500-2,000
Illinois	1@2%	20,000	2@10%	500-2,000
Indiana . . . .	..	Not taxed	..	Not taxed
Iowa* b. . . . .	..	Not taxed	5%	1,000
Kansas	1@5%	5,000	3@15%	0-1,000
Kentueky ..	..	Not taxed	5%	500
Louisiana c .	2%	10,000	5%	Nothing
Maine	1@2%	500-10,000	4@7%	500
Maryland* ..	..	Not taxed	5%	500
Massachusetts	1@2%	1,000-10,000	3@5%	1,000
Michigan . . .	1%	2,000	5%	100
Minnesota . .	1½@5%	10,000	1½@5%	10,000
Mississippi ..	..	Not taxed	..	Not taxed
Missouri . . .	..	Not taxed	5%	Nothing
Montana* ..	1%	7,500	5%	500
Nebraska . . .	1%	10,000	2@6%	500-2,000

	Direct inheritances		Collateral inheritances	
	Rate	Exemption	Rate	Exemption
Nevada . . . .	..	Not taxed	..	Not taxed
New Hamp. . .	..	Not taxed	5%	Nothing
New Jersey . .	..	Not taxed	5%	500
New Mexico . .	..	Not taxed	..	Not taxed
New York . . .	1@5%	500-5,000	5@25%	100
N. Carolina <i>d</i>	$\frac{3}{4}$ %	2,000	1½@15%	2,000
N. Dakota . . .	..	Not taxed	2%	25,000
Ohio * . . . . .	..	Not taxed	5%	200
Oklahoma <i>e.</i>	1%	5,000-10,000	1½@5%	100-500
Oregon <i>f</i>	1%	5,000	2@6%	500-2,000
Penn . . . . .	..	Not taxed	5%	250
Porto Rico . .	1@3%	200	3@9%	200
R. Island . . .	..	Not taxed	..	Not taxed
S. Carolina . .	..	Not taxed	..	Not taxed
S. Dakota . . .	1%	5,000-20,000	2@10%	100-500
Tennessee* .	1@1¼%	5,000	5%	250
Texas . . . . .	..	Not taxed	2@12%	500-2,000
Utah*	5%	10,000	5%	10,000
Vermont . . . .	..	Not taxed	5%	Nothing
Virginia . . . .	..	Not taxed	5%	Nothing
Washington* <i>g</i>	1%	10,000	3@12%	Nothing
W. Virginia . .	1@3%	10,000-15,000	3@15%	Nothing
Wisconsin . . .	1@3%	2,000-10,000	1½@15%	100-500
Wyoming* . . .	2%	10,000	5%	500

* The exemption in the states marked with an asterisk has been construed to apply to the estate as a whole rather than to individual shares.

a. Connecticut—For non-residents, exemption varies according to portion of estate within the state.

b. Iowa taxes non-resident aliens 10-20%.

c. Louisiana exempts property that bore its just proportion of taxes during owner's life.

d. North Carolina—Exempts husband or wife.

e. Oklahoma—The tax increases progressively so that a literal construction would result in confiscation of all in excess of certain amounts in large estates.

f. Oregon—Exempts entire estate if less than \$10,000, direct; \$500 to \$5000 collateral.

g. Washington 25% tax on non-resident aliens held invalid.

CHAPTER IV.

THE STATES WHICH TAX SECURITIES OWNED BY NON-RESIDENTS.

The states that have inheritance tax laws, as a rule, tax all property that is situated in the state, whether the owner was a resident or not.

Herein lies the importance to the investor of an acquaintance with the inheritance tax laws of the states other than the one in which he lives, especially because most states do not confine themselves to property physically within the state.

These states treat shares in corporations organized under their laws as subject to an inheritance tax though held without the state by a non-resident. This is on the theory that as the corporation itself is a creature of the state, its shares are subject to the jurisdiction of the state, wherever owned.

As the state of residence taxes such stock, the result is that two states tax the same succession. The Supreme Court of the United States though recognizing the hardship of the practice has decided that the Constitution does not prohibit such double taxation.¹

Collection of this tax is usually enforced by holding the corporation itself responsible if it permits the transfer of stock for a foreign executor or administrator before the tax is paid.

Because of a retaliative provision in the laws of Connecticut, which will be discussed later, the tax commissioner of that state considers it his duty to obtain official information from the differ-

¹ Blackstone vs. Miller, 188 U. S. 189.

ent states as to whether they tax stock of corporations organized under their laws if owned by non-residents. Under date of Dec. 15, 1910, he enumerates the following states as taxing such stock, though owned by a non-resident, if the certificates are kept outside the state:

Colorado	New Hampshire
Illinois	New Jersey
Iowa	New York
Kansas	North Carolina
Maine	Oklahoma
Massachusetts	Vermont
Michigan	Wisconsin

In addition to these states, information is at hand from officials of the following states to the effect that they tax stock of domestic corporations owned by a non-resident without any intimation that it makes any difference whether the certificate is kept within or without the state:

Arkansas	Minnesota
California	Missouri
Kentucky	Washington
Louisiana	West Virginia

The statutes of the following states would seem to authorize the collection of such a tax, and it would not be surprising to find these states enforcing it at any time:

Idaho	Tennessee
Nebraska	Wyoming

All bonds are taxed where the owner resides and if kept in another state are likely to be taxed there as well.

A tax by the state of incorporation on bonds owned by non-residents, if kept outside the state, would seem to be invalid under the general principles of taxation, yet, except in Maine and Massachusetts, in all the states which are taxing stock in domestic corporations owned by non-residents, the language of the law is broad enough to include bonds as well.

The tax commissioner of Connecticut is officially advised

that the following states tax registered bonds of corporations organized under their laws, though the bonds are owned by a non-resident and kept outside the state.

Colorado	New Hampshire
Kansas	Oklahoma
Michigan	Vermont

It would not be surprising to find almost any of the states that are taxing stock of domestic corporations owned by non-residents at any time added to the list of those taxing registered bonds of non-residents, especially Louisiana, whose statute mentions registered bonds. There are even signs of an effort in some states to reach coupon bonds as well.

Only six states have laws tending to reduce or eliminate this double taxation on stocks and bonds. Maine and Vermont give credit for taxes paid to any other state. Massachusetts and Kansas give credit for taxes paid to states which reciprocate. West Virginia and Connecticut have a retaliative provision taxing the shares in domestic corporations of only such non-residents as reside in states that claim such a tax for themselves.

Several states have recently been claiming an inheritance tax on stock of non-residents in corporations which are not even organized under their laws, but own property within the state. The legality of such a tax is disputed, but we have not heard of any decisions as yet. The states marked "Yes" in the second column of the appended table claim the right to collect such a tax; the states marked "No" say positively that they do not claim it, and in the states marked with a star the question has not been raised.

	Are shares of non-residents in local corp. subject to tax?	Is tax claimed on stk. of foreign corp. owning prop. in state?
Alabama	No	No
Arizona	No	No
Arkansas	Yes	*
California†	Yes	*
Colorado†**	Yes	*
Connecticut†	Yes	No
Delaware	No	*
Florida	No	No
Georgia	No	No
Idaho†	No§	*
Illinois†	Yes	Yes
Indiana	No	No
Iowa†	Yes	Yes
Kansas†**	Yes	No
Kentucky†	Yes	Yes
Louisiana	Yes	*
Maine†	Yes	*
Maryland	No	No
Massachusetts†	Yes	No
Michigan†**	Yes	No
Minnesota†	Yes	No
Missouri†	Yes	Yes
Mississippi	No	No
Montana†	No†	Yes
Nebraska†	No§	*
Nevada	No	No
New Hampshire†**	Yes	Yes
New Mexico	No	No
New Jersey†	Yes	*
New York†	Yes	No
North Carolina†	Yes	*
North Dakota	No†	*
Ohio	No†	No
Oklahoma†**	Yes	*
Oregon†	No†	No
Pennsylvania†	No	No
Rhode Island	No	No
South Carolina	No	No
South Dakota†	No†	No
Tennessee†	No§	*
Texas	No†	*
Utah†	Yes	*
Vermont†**	Yes	Yes
Virginia	No	*

	Are shares of non-residents in local corp. subject to tax?	Is tax claimed on stk. of foreign corp. owning prop. in state?
Washington†	Yes	Yes
West Virginia†	Yes	No
Wisconsin†	Yes	Yes
Wyoming†	No†	*

*This question does not seem to have been raised or passed upon in the states marked with an asterisk.

†Under substantially similar laws, other states are taxing such stock. In the states so marked, however, no claim is made for such a tax, or else there is no effective method provided for collecting it.

§In the states so marked it was apparently the opinion of their tax officials in 1910 that they were not entitled to collect such a tax, and we do not know that the law is now being construed differently. Their laws, however, are practically identical with the laws of states which claim this tax and moreover contain a provision for enforcing its collection.

‡In states so marked a corporation transferring stock or delivering securities is held responsible itself, if the inheritance tax has not been paid.

**These states also tax registered bonds of local corporations owned by non-residents.

CHAPTER V.

SOME GENERAL RULES—THE STATES WHERE DOUBLE TAXATION IS MOST CONSPICUOUS.

Before proceeding to examine the laws and practice of the individual states, it may be useful to summarize the rules which may be taken to be of general application, unless exceptions are specially noted. The property subject to tax under the inheritance tax laws of any state can be classified as follows:

Residents,—

Real estate within the state (but not real estate outside the state)

Personal property of every description, tangible or intangible whether held within or without the state.

Non-residents,—

Real estate within the state.

Tangible personal property within the state.

Stocks in corporations organized under the laws of the state.

As to other forms of intangible personal property of non-residents (we include securities under intangible property) some further discussion is desirable.

The states that tax stock in domestic corporations owned by non-residents usually tax shares in national banks doing business within the state as well. This tax can hardly be justified on the ground that the bank is a creature of the state. Bank deposits of non-residents are similarly treated.

The personal property of a resident which is held outside of the state is taxed on the theory that personal property follows the domicile of its owner. The intangible personal property

of a non-resident actually or theoretically within the state is taxed because it can be; so why bother with theories?

Where a non-resident keeps securities in the state, as in a safe deposit vault, there is a distinction made between stocks and bonds. The more common practice is to tax all such bonds, whether they are bonds of domestic or foreign corporations, but the common rule is not to tax certificates of stock of a foreign corporation so kept by a non-resident within the state. A conspicuous exception is found in the case of Pennsylvania, which very properly does not tax the intangible personal property of a non-resident kept within the state, whether in the form of stocks or bonds.

In the case of non-residents the practice varies as to the application of exemptions. The Massachusetts rule is to consider the entire amount of the inheritance in deciding whether it is exempt, and not merely the portion of the property taxable in Massachusetts. Thus an inheritance to a child of a non-resident of \$100,000, of which \$10,000 is in stock of a Massachusetts corporation, is not exempt in Massachusetts, although the Massachusetts exemption is \$10,000 on an inheritance to a child. The total amount of the inheritance is considered for the purpose of determining whether the inheritance is taxable at all; the tax, if imposed, is based only on the portion subject to the jurisdiction of the state. This is the common rule, but some states claim no tax if the portion of the inheritance subject to their jurisdiction does not exceed their exemption.

The common practice of requiring non-resident executors and administrators to file complete inventories, copies of probate records and other similar documents before consent is given to the transfer of stock may be a source of considerable expense as well as annoyance. We hear of an English estate owning stock to the value of \$4180 in Illinois Central (Illinois corporation), Ch.,

St. P., Minn. & Omaha (Wisconsin corporation) and Long Island Railroad (New York corporation). In getting these securities transferred the expenses amounted to between \$125 and \$150, irrespective of the inheritance taxes.

The claim of some states to a tax on shares of corporations organized elsewhere but owning property within the state may often be of only academic interest to a non-resident investor. A Boston estate has stock of a New Jersey corporation owning property in Iowa. Iowa claims an inheritance tax on such stock as well as Massachusetts and New Jersey. Unless this estate owns other property in Iowa or stock in some corporation organized under Iowa laws, Iowa would have some difficulty in enforcing the claim.

This sort of tax is successfully enforced where the tax authorities require a complete inventory of the estate when a non-resident presents stock for transfer. Then the state is in a position to collect almost any tax it chooses to claim by holding up the transfer until it is paid.

The Inheritance Tax Law committee of the International Tax Association names New York as a most flagrant offender in the matter of double taxation under its inheritance tax law and joins with it in this respect Colorado, Connecticut, Illinois, Iowa, Kansas, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Vermont and Wisconsin. If this list were to be criticised it would be only on the score of its brevity.

It is certainly true that some states are very much more active than others in seeking to collect inheritance taxes from non-residents. New York and Illinois can safely be awarded the leadership in this respect.

In New York the consternation among investors caused by its maximum rate of 25% has led many bodies, including the

New York Chamber of Commerce, to advocate the repeal of the law.¹ Yet this particular rate is not likely to be collected very often because it applies only to the excess over \$1,000,000 of an inheritance devolving on a person either only collaterally related or else a stranger to the deceased. It is, however, the most striking of the many objectionable features of the law in this jurisdiction.

To balance Illinois's activity in the enforcement of its claims, its exemption of \$20,000 on direct inheritances is the most liberal in the country, and allows many estates owning property coming under the jurisdiction of Illinois to be settled without paying any tax to that state.

It is not uncommon to find estates passing to direct heirs little troubled by inheritance taxes of other states. As has already been pointed out, the exemption frequently applies to the interest of each heir, not merely to the estate as a whole. An estate of a man with several children is thus often in a better position than the estate of a man with a single child. This result must unquestionably meet with the approval of a certain eminent person who has been a conspicuous advocate of a heavy tax on the estates of malefactors of great wealth.

The multiplication of inheritance taxes imposes a very real burden on collateral inheritances. With the usual exemption limited to \$500, and 5%, the minimum rate, the collateral relative who receives a bequest of even ten shares of any ordinary investment stock is likely to pay at least 10% in inheritance taxes.

There is little question but that the states with stringent inheritance tax laws affecting non-residents will lose in the end. Such laws will certainly tend to drive outside capital from the state. The strong demand by local investors for stock in Massachusetts corporations is not wholly due to their exemption from current

¹ Governor Dix in a special message to the legislature in March, 1911, called for the repeal of this law.

taxation. The assurance that only one inheritance tax can be collected on such stock is an element of attractiveness to the careful investor. This holds true of the local securities in every state.

CHAPTER VI.

THE STATES WHICH HAVE NO INHERITANCE TAX LAW.

There are no inheritance tax laws in the following jurisdictions:

Alabama	Mississippi
Arizona	Nevada
Florida	New Mexico
Georgia	Rhode Island
Indiana	South Carolina
District of Columbia	

The estates of residents of these states pay no inheritance taxes except such as other states may be able to extract. Estates of non-residents are not called upon to pay a double tax on corporations organized under their laws.

It will be noted that five of these states are in the South, a portion of the country which has been very conservative in inheritance tax legislation.

1.

ALABAMA.

Alabama had a collateral inheritance tax on personal property only from 1848 to 1868. The constitution of 1901 forbids a direct inheritance tax, and limits any collateral inheritance tax that may be enacted to 2½%. No inheritance tax law has been enacted since the adoption of this constitution.

Among the better known corporations organized under the laws of Alabama are:

Birmingham Ry., Lt. & Power.
Lanett Cotton Mills
Mobile Electric Co.

2.

DISTRICT OF COLUMBIA.

A bill for an inheritance tax in the District of Columbia passed the House in December, 1910, but did not pass the Senate.¹

It proposed to tax direct inheritances from \$10,000 to \$100,000, 1%; \$100,000 to \$500,000, 2½ %; over \$500,000, 5%; collateral inheritances, uniformly 5% on the excess over \$3000.

Among the more prominent companies organized under the laws of the District of Columbia are:

Capital Traction Co.
Washington Ry. & Elec.

3.

RHODE ISLAND.

The desirability of Newport as a place of residence is certainly not diminished by the absence of an inheritance tax law in Rhode Island. All is not serene in this quarter, for a joint special committee on taxation recommended a draft of an inheritance tax law in 1910, but it was not enacted. The same committee reported again in 1911, recommending a tax on collateral inheritances.

Among the more prominent companies organized under the laws of Rhode Island are:

American Screw Co.
Gorham Mfg. Co.
Lorraine Mfg. Co.
Nicholson File Co.
Providence Gas Co.
Providence Telephone Co.

New York, New Haven & Hartford, though primarily a Connecticut corporation, is also incorporated in Rhode Island as well as Massachusetts.

¹ 61st Congress, 3d Session, H. R. 22,842.

4.

ARIZONA.

Arizona has no inheritance tax and has never had an inheritance tax.

Among the more prominent companies organized under the laws of Arizona are:

Butte-Ballaklava
Calumet & Arizona
East Butte
Helvetia
Superior & Boston

5.

FLORIDA.

Florida has no inheritance tax and has never had an inheritance tax.

Among the more prominent companies organized under the laws of Florida are:

Jacksonville Elec. Co.
Tampa Elec. Co.

6.

GEORGIA.

Georgia has no inheritance tax and has never had an inheritance tax.

Among the more prominent companies organized under the laws of Georgia are:

Central R. R. of Ga.
Georgia Ry. & Elec.
Savannah Elec. Co.

7.

INDIANA.

Indiana has no inheritance tax and has never had an inheritance tax. An attempt to pass such a law in 1911 failed.

Among the more prominent companies organized under the laws of Indiana are:

Indiana Lighting Co.

Lake Shore & Michigan Southern (also Ill., Ohio, Mich., Pa., N. Y.)

New York, Chicago & St. Louis (also N. Y., Pa., Ohio.)

Pitts., Cincinnati, Chicago & St. Louis (also Pa., W. Va., Ohio and Ill.)

Pittsburg, Fort Wayne & Chicago (also Pa., Ohio, Ill.)

Terre Haute, Indianapolis & Eastern Tr. Co.

Terre Haute Tr. & Lt. Co.

Toledo, St. Louis & Western.

8.

MISSISSIPPI.

9.

NEVADA.

10.

NEW MEXICO.

11.

SOUTH CAROLINA.

These four states have no inheritance tax law and have never had any inheritance tax law.

There are no companies, whose securities are of general investment importance to non-residents, organized under the laws of any of them. The large companies doing business in these states are usually incorporated under the laws of other states.

CHAPTER VII.

THE STATES WHICH HAVE INHERITANCE TAX LAWS.

1.

PENNSYLVANIA.

THE PIONEER WHOSE INTELLIGENT EXAMPLE HAS FOUND SCANT FOLLOWING.

Pennsylvania, the first state to enact an inheritance tax law, is one of the few states that has shown sanity in legislation and interpretation. Direct inheritances and the personal property of non-residents are very properly let alone, and the law has been so construed as to avoid double taxation.

The original law was enacted in Pennsylvania in 1826 and, with very few changes, it is the law today. The law was codified in 1887¹ and slightly amended in 1905.²

Collateral inheritances only are taxed. The rate is uniformly 5% and the exemption is \$250. The inheritances not taxed are those to father, mother, husband, wife, child, step-child,³ lineal descendant and daughter-in-law. It has been held that inheritances to a grandparent, an adopted child and a son's widow who has remarried, are taxable.⁴

No attempt is made to tax stock in Pennsylvania corporations owned by a non-resident, and securities kept in the state by a non-resident are not subject to the tax.⁵ This has been

¹ Act of May 6, 1887, P. L. 79.

² Act of April 22, 1905, P. L. 258.

³ Com. vs. Randall, 225 Pa. 197.

⁴ McDowell vs. Adams, 45 Pa. 430. Com. vs. Nancrede, 32 Pa. 389. Com. vs. Powell, 51 Pa. 438.

⁵ Orcutt's appeal, 97 Pa. 179.

an important factor in the great growth of the safe deposit business of the Philadelphia trust companies.

There was a case where a non-resident had an agent in Pennsylvania with very broad powers to buy and sell securities, in which it was held that the securities held by the agent were taxable in Pennsylvania.¹ It was later pointed out that this case must rest on its own peculiar facts and does not affect the general Pennsylvania doctrine that securities of a non-resident, though physically within the state, are not subject to the inheritance tax.² This does not apply to tangible personal property within the state.³

It is refreshing to find the courts in at least one state insisting that, if personal property of residents held outside of the state is to be taxed on the theory that personal property follows the domicile of the owner, the logical consequence of the theory is that personal property of non-residents within the state is not taxable.⁴

A direct inheritance tax law passed in 1897, and imposing a uniform tax of 2% on personal property only, was held unconstitutional.⁵

It is somewhat interesting to find that the Pennsylvania law—which is moderate in its demands, exempts direct inheritances altogether, and lets non-residents alone—has produced from \$1,000,000 to \$1,500,000 annually for many years, a much greater sum than the inheritance tax law of any of the other states except New York has been realizing.

¹ Lewis's Estate, 203 Pa. 211.

² Shoenberger's Estate, 221 Pa. 112.

³ Small's appeal 151, Pa. 1.

⁴ cf. Coleman's Estate 159, Pa. 231.

⁵ Cope's Estate, 191 Pa. 1.

Some of the most prominent railroad and industrial corporations in the country are organized under Pennsylvania laws, including:

Pennsylvania
Reading
Lehigh Valley
Delaware, Lackawanna & Western
Philadelphia Co.
Philadelphia Rapid Transit
Pittsburg Plate Glass
Union Switch & Signal
Westinghouse Electric
Westinghouse Air Brake
Westinghouse Machine

2.

VIRGINIA.

The conservative influence of Pennsylvania has extended to the three neighboring states of Delaware, Maryland and Virginia. These states do not tax direct inheritances and do not tax stock in corporations organized under their laws that is owned by non-residents.

Virginia adopted a collateral inheritance tax in 1844. Its last legislation was in 1910.¹ The tax is on collateral inheritances only, the rate is uniformly 5%, and there is no amount exempted. The tax is not levied on an inheritance to grandparents, father, mother, husband, wife, brother, sister or lineal descendant. Stock of Virginia corporations owned by non-residents is not taxable. The law has been producing a revenue of less than \$30,000 per year.

Among the more prominent corporations organized under Virginia laws are:

Baltimore & Ohio (also Md.)
Chesapeake & Ohio
Norfolk & Western
Seaboard Air Line
Southern Railway

¹ Acts 1910, Chapter 148, amending Acts 1903, Chapter 148, Section 44. For constitutionality of state inheritance tax see *Miller vs. Com.*, 27 Gratt. 109. Right of cities to levy such tax is denied; *Peters vs. Lynchburg*, 76 Va. 927, *Wytheville vs. Johnson*, 108 Va. 589.

3.

MARYLAND.

Maryland adopted a collateral inheritance tax in 1845.¹ The present tax is on collateral inheritances only, the rate is uniformly 5%, with an exemption of \$500, which applies to the estate as a whole, not to individual shares. No tax is levied on an inheritance to father, mother, husband, wife, child or lineal descendant.²

It would seem that Maryland formerly attempted to tax shares of Maryland corporations owned by non-residents, but they are not now considered taxable. Securities of a non-resident deposited in Maryland for safe keeping are taxable.³ This tax has been producing between \$100,000 and \$150,000 annually.

Among the more prominent corporations organized under the laws of Maryland are:

Baltimore & Ohio (also Va.)
Consolidation Coal
Northern Central Railway (also Pa.)
Western Maryland

¹For constitutionality see *Tyson vs. State*, 28 Md. 577.

²Public General Laws (1904) Section 117 as amended by Chapter 695, Laws of 1908.

³*State vs. Dalrymple*, 70 Md. 294.

4.

DELAWARE.

Delaware adopted a collateral inheritance tax in 1869. In 1883 its application was limited to strangers in blood. In 1909 the following schedule was adopted:¹

Direct inheritances.....	exempt
(to father, mother, grand- parents, husband, wife, child, adopted child or lineal descendant)	
Brother, sister, and descendant of brother or sister	1%
Brother or sister of father or mother and their descend- ants.....	2%
Brother or sister of grandfather or grandmother and their descendants	3%
More distant collateral relations and strangers in blood	5%

The exemption is \$500 and applies to individual shares. No tax is claimed on stock of Delaware corporations owned by non-residents. Delaware has been realizing almost nothing from its inheritance tax.

Among the more prominent corporations organized under the laws of Delaware are:

- American Pneumatic
- Consolidated Cotton Duck
- Crex Carpet
- Giroux
- Miami
- Shannon

¹Laws of 1909, Chapter 225.

5.

OHIO.

Ohio imposed a collateral inheritance tax in 1893. In 1894 it was the first state to tax direct inheritances, and was also the first state to adopt rates increasing progressively according to the size of the estate. The act was held unconstitutional in 1895, on account of the progressive feature, and because it was not provided that the exemption (\$20,000) should be deducted from all estates exceeding that amount.¹ This decision has not been generally followed in other jurisdictions.

In 1904 a uniform tax of 2% was imposed on direct inheritances with an exemption of \$300. This was repealed in 1906.

At present collateral inheritances only are taxed. The rate is uniformly 5% and the exemption is \$200 which applies to the estate as a whole, not to the individual shares. The inheritances which are altogether exempt are those to father, mother, husband, wife, brother, sister, niece, nephew, lineal descendant, adopted child and its lineal descendant, wife or widow of son and husband of daughter.²

Stock in an Ohio corporation owned by a non-resident is not taxed.

Among the more prominent corporations organized under the laws of Ohio are:

Cleveland, Cinn., Chic. & St. L. (also Ind.)
 Hocking Coal
 Hocking Valley
 Kanawha & Michigan (also W. Va.)
 Lake Shore (also Ill., Ind., Mich., N. Y., Pa.)
 Northern Ohio Tract.
 Toledo Ry. & Lt.
 Wheeling & Lake Erie
 Wabash (also Ill., Ind., Mich. & Mo.)

¹State vs. Ferris, 53 Ohio State 314.

²General Code 1910, Section 5331.

6.

MISSOURI.

Missouri's first attempt at a collateral inheritance tax in 1895 was held unconstitutional.¹ A second attempt in 1899 fared better.²

Collateral inheritances only are taxed. The rate is uniformly 5% and there is no amount exempted. The inheritances exempt are those to father, mother, husband, wife, lineal descendant and adopted child.³

This law has produced from \$200,000 to \$400,000 annually. An interesting detail is that the proceeds of the tax are devoted to the support of the University of Missouri, providing a sort of compulsory bequest for higher education from every estate.

Missouri taxes stock of a Missouri corporation owned by a non-resident;⁴ it taxes stock of a corporation organized elsewhere owning property in Missouri, and it apparently taxes stock of a foreign corporation owned by a non-resident if the stock certificate is kept in Missouri.

Among the more prominent corporations organized under the laws of Missouri are:

Kansas City Southern
Laclede Gas
Missouri Pacific (also Kan., Neb.)
St. Louis & San Francisco
Wabash (also Ill., Ind., Mich. & Ohio)

¹State vs. Switzler, 143 Mo. 287.

²State vs. Henderson, 160 Mo. 190.

³Revised Stats. 1909, Chapter 2, Article 14, Sections 309-331.

⁴Conflicting information is at hand on this point.

7.

MASSACHUSETTS.

ALL INHERITANCES TAXED—NON-RESIDENTS REACHED—AN
ATTEMPT TO AVOID DOUBLE TAXATION.

Massachusetts first adopted a collateral inheritance tax in 1891,¹ and a direct inheritance tax in 1907, which applies to estates of persons who have died since Sept. 1, 1907.

The following taxes are imposed:²

Direct inheritances,

Inheritances to husband, wife, father, mother, child and adopted child.

0 to \$50,000	1%	on entire amount
\$50,000 to \$100,000	1½%	“ “ “
Over \$100,000	2%	“ “ “

Exemption \$10,000*

Inheritances to other direct heirs including lineal ascendants (except parents), lineal descendants (except children), lineal descendant of adopted child, wife or widow of son, husband of daughter.

0 to \$50,000	1%	on entire amount
\$50,000 to \$100,000	1½%	“ “ “
Over \$100,000	2%	“ “ “

Exemption \$1000*

Collateral inheritances,

Inheritances to brother, sister, nephew, niece.

0 to \$25,000	3%	on entire amount
\$25,000 to \$100,000	4%	“ “ “
Over \$100,000	5%	“ “ “

Exemption \$1000*

All other inheritances,

Taxed uniformly 5%

Exemption \$1000*

*Exemptions apply to each individual inheritance and not to the estate as a whole. In the case of a non-resident, as has already been noted, the inheritance is taxable if the entire amount of the share passing is greater than the amount exempted, though the portion of the share in Massachusetts is less than the exempted amount; but in such case the tax is levied only

¹For constitutionality see *Minot vs. Winthrop*, 162 Mass. 113; *Crocker vs. Shaw*, 174 Mass. 266.

²Acts of 1909 chap. 490 part IV. See also Acts of 1909 chap. 266, 268, 527, Acts of 1910 chap. 481.

on the portion of the inheritance subject to Massachusetts jurisdiction. For example, a non-resident leaves a child \$100,000, of which \$5000 is stock in a Massachusetts corporation. Massachusetts taxes this \$50, 1% on \$5000.

It should be noted that the tax, where levied, is on the full amount without deducting the exemption. Thus a bequest of \$10,000 by a resident to a child would be taxed nothing, a bequest of \$20,000 would be taxed \$200, 1% on the full \$20,000. But the tax must not reduce the inheritance below the exempted figure, so an inheritance of \$10,001 would pay only \$1.

Among the points that have been decided by the Massachusetts Supreme Court are the following:

Stocks in Massachusetts corporations and in national banks doing business in Massachusetts, owned by a non-resident, are subject to the tax.¹

But if a non-resident owns stock in a railroad company incorporated in Massachusetts and other states, the tax is based only on the proportionate amount of the line within Massachusetts.² This also applies to street railway, telephone and telegraph companies incorporated in Massachusetts and other states.

The following property of a non-resident kept in Massachusetts is subject to the tax; cash, bonds of corporations of other states, Ohio Municipal Bonds, New Hampshire State Bonds, United States Government Bonds.³

Bonds of Massachusetts corporations, owned by a non-resident, if kept within the state are taxed; if kept outside the state are not taxed. Stocks of foreign corporations kept in Massachusetts by a non-resident are not taxed.

¹Greves v. Shaw, 173 Mass. 205.

²Kingsbury v. Chapin, 196 Mass. 533. See also, Matter of Cooley, 186 N. Y. 220; Moody vs. Shaw, 173 Mass. 375.

³Callahan v. Woodbridge, 171 Mass. 595.

Shares in voluntary associations like Massachusetts Gas and Massachusetts Electric, and also shares in local real estate trusts, have been regarded by the tax commissioner as standing on the same footing as Massachusetts corporations, and have been taxed whether owned by a resident or non-resident. The right to collect such a tax on real estate trust shares is being contested in a case now pending in the Supreme Court.

A corporation that transfers stock, and a person or corporation that delivers over securities of a non-resident estate before the tax is paid, are made liable for the tax.

It is the practice of the tax commissioner's office to require an inventory of the entire estate of a non-resident, as the commissioner deems it necessary for a proper computation of the tax.

Massachusetts is one of the very few states that have made any attempt to avoid double taxation.

If personal property of a deceased resident, which is outside the state, has been taxed in other states—and this includes stock in foreign corporations, whether the certificate is actually kept in Massachusetts or not—Massachusetts will not tax it, unless the outside tax is less than the Massachusetts tax, and then Massachusetts collects only the difference.¹ For instance, a Massachusetts estate owns stock in American Telephone which is incorporated only in New York. As the estate pays a tax on this to New York, Massachusetts does not tax it. This exemption has been construed not to apply to shares owned by a resident, in a company incorporated in Massachusetts and other states. A bill has been introduced in the legislature now sitting to extend the exemption to such a case.²

The result is that at present, so far as the inheritance tax is concerned, for a Massachusetts investor, stocks in Massachu-

¹ cf. *Frothingham vs. Shaw*, 175 Mass. 59.

² This bill was passed at the 1911 session.

setts corporations are most desirable, stocks in corporations of states whose taxes are no heavier than Massachusetts are a second choice, while stocks in corporations of states whose taxes are heavier than Massachusetts, are less desirable.

The attempt to avoid double taxation in the case of non-residents has as yet been of little practical value. There is a reciprocal clause in favor of non-residents owning stocks in Massachusetts corporations which provides that such stock shall not be taxed (except for the difference if Massachusetts rates are higher) if owned by a resident of a state which extends similar courtesies to residents of Massachusetts. There are only five other states to which by any possibility this could apply. It has been ruled that residents of Maine are entitled to the exemption; the same ruling is likely to be made when occasion arises as to Vermont and Kansas; the attorney general has ruled that the retaliative provision in the Connecticut law does not satisfy the reciprocal requirements, and it is probable that the same ruling would be made as to West Virginia.

The receipts under the old collateral inheritance tax (applying only to estates of persons who died before Sept. 1, 1907) reached a maximum in 1908. As the new law allows two years in which to pay the tax, its full effect as a revenue producer was not realized until 1910.

The following have been the receipts, including interest, under both laws, for the last four years:

	Under old collat. tax (persons dying before Sept. 1, 1907)	New direct and collat. (persons dying since Sept. 1, 1907)	Total
1910	\$252,265	\$1,470,365	\$1,722,630
1909	563,718	908,685	1,472,403
1908	906,365	357,655	1,264,020
1907	796,075	0	796,075

Among the numerous companies organized under the laws of Massachusetts may be mentioned the following:

Listed on the Boston Stock Exchange:

Boston & Albany (also N. Y.)	Fitchburg (also N.Y., N. H. & H.)
Boston Elevated	Mass. Electric*
Boston & Lowell	Mass. Gas*
Bos. & Me. (also N. H. & Me.)	New England Cotton Yarn
Boston & Northern Street Ry.	N. Y. N. H. & H. (also Conn. & R. I.)
Boston & Providence	Old Colony Railroad
Bos., Revere Beach & Lynn	Old Colony Street Ry.
Conn. River (also N. H.)	Prov. & Wor. (also R. I.)
Edison Electric	West End Street Railway

*Voluntary associations, not corporations.

Mill, manufacturing and miscellaneous stocks:

Acushnet Mills	Lancaster Mills
American Glue	Laurel Lake Mills
Arlington Mills	Lawrence Mfg.
Arkwright Mills	Lowell Bleachery
Barnaby Mfg.	Luther Mfg.
Barnard Mfg.	Lyman Mills
Berkshire Mfg.	Manomet Mills
Bigelow Carpet	Mass. Cotton Mills
Boott Mills	Mass. Mills in Ga.
Borden Mfg.	Maverick Mills
Boston Belting	W. H. McElwain Co.
Boston Duck	Merrimac Mfg.
Boston Wharf	Middlesex Co.
Boston Woven Hose	Narragansett Mills
Butler Mill	Nashawena Mills
Chapman Valve	Naumkeag Steam Cotton
Chicopee Mfg.	Nonquitt Spinning
Cornell Mills	Pacific Mills
Dartmouth Mfg.	Parker Mills
Davis Mills	Pierce Mfg.
Dwight Mfg.	Plymouth Cordage
Essex Co.	Pocasset Mfg.
Everett Mills	Renfrew Mfg.
Flint Mills	Sagamore Mfg.
Fisher Mfg.	Shaw Stocking
Fore River Shipbuilding	Scaconnet Mills
Granite Mills	Stevens Mfg.
Grinnell Mfg.	Suncook Mills

Gosnold Mills	Tecumseh Mills
Hamilton Mfg.	Thorndike Co.
Hamilton Woolen	Tremont & Suffolk Mills
Hargraves Mills	Union Cotton Mfg.
Harmony Mills	Wamsutta Mills
Hood Rubber	Whitman Mills

Also all street railway, electric light and gas companies doing business in Massachusetts.

8.

NEW YORK.

A STATE WHICH HAS RECENTLY TAKEN AN EXTREME POSITION.

New York has had a collateral inheritance tax since 1885, a direct inheritance tax on personal property since 1891 and on real estate since 1903.¹ Until 1910 the rate was 1% on direct inheritances, and 5% on collateral inheritances. The present much criticised law took effect July 11, 1910, and introduced graduated rates running up to 25%.

It provides for the following taxes:²

Inheritances to father, mother, widow, minor child.³

First	\$5,000		exempt
Excess over	\$5,000 up to	\$25,000	1%
Excess over	\$25,000 up to	\$100,000	2%
Excess over	\$100,000 up to	\$500,000	3%
Excess over	\$500,000 up to	\$1,000,000	4%
Excess over	\$1,000,000		5%

Inheritances to all other direct heirs including husband, adult child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child and lincal descendant.³

Tax is the same except that the exemption is only on the first \$500.

Inheritances to all others:³

First	\$100		exempt
Excess over	\$100 up to	\$25,000	5%
Excess over	\$25,000 up to	\$100,000	10%
Excess over	\$100,000 up to	\$500,000	15%
Excess over	\$500,000 up to	\$1,000,000	20%
Excess over	\$1,000,000		25%

¹For constitutionality see Matter of McPherson, 104 N. Y. 306; Matter of Keeney, 194 N. Y. 281; Orr vs. Gilman, 183 U. S. 278; Beers vs. Glynn, 211 U. S. 477.

²Laws of 1909, Chap. 62, Sect. 220-245 as amended by Laws of 1910, Chap. 600 and 706.

³This is the interpretation of the law as made by the Comptroller's office, and followed by many Surrogates. Other Surrogates rule that if the legacy exceeds the exempted amount, the entire legacy is taxable without deducting the exemption. See Matter of Mason, 126 N. Y. Supplement 998. See also Matter of Jourdan, 70 Misc. 159 for a slightly different interpretation of the whole table.

The exemptions apply to each inheritance rather than to the estate as a whole. In the case of a non-resident, apparently, if the New York portion of the inheritance is less than the exempted amount, the inheritance is not taxable.

The New York courts have laid down the rules that have been generally followed in the states that have taken a radical position. Among the important points that have been decided are:

Stocks in New York corporations held outside the state by a non-resident are taxable;¹ but the same case holds that bonds of a New York corporation so held are not taxable.

Bonds of either New York or foreign corporations and stock of New York corporations, owned by a non-resident and kept in a New York safe deposit vault are taxable, but stocks of foreign corporations so kept are not taxable.² (By a foreign corporation is meant a corporation organized under the laws of any other jurisdiction.) United States bonds so kept are taxable.³

A safe deposit company or any person or corporation that delivers over or transfers securities of a non-resident without notifying the tax authorities, is not only made liable for the tax, but is subject to heavy penalty as well.

A deposit by a non-resident in a New York trust company or bank is taxable.⁴ In the Blackstone case the estate had already paid a tax on the deposit to Illinois where the deceased lived. The case was carried to the United States Supreme Court and resulted in the decision already referred to, that the Constitution does not prohibit such double taxation.⁵

¹Matter of Bronson, 150 N. Y. 1.

²Matter of Romaine, 127 N. Y. 80; Matter of Whiting, 150 N. Y. 27; Matter of Morgan, 150 N. Y. 35; Matter of Palmer, 183 N. Y. 238.

³Matter of Plummer, 161 N. Y. 631; affirmed in Plummer vs. Coler, 178 U. S. 115.

⁴Matter of Houdayer, 150 N. Y. 37; Matter of Blackstone, 171 N. Y. 682; Matter of Daly, 182 N. Y. 524.

⁵Blackstone vs. Miller, 188 U. S. 189.

It is the usual practice to require an inventory of the entire property of a non-resident. The Comptroller's Office states that this is "only for the purpose of seeing that the stocks of New York corporations are fully set forth, and for the purpose of prorating the property in this state in the payment of legacies under the decedent's will or the interstate law of decedent's domicile." That is to say, for the purpose of preventing non-resident executors from satisfying only tax-exempt inheritances out of the New York portion of the property.

New York is not one of the states that tries to collect a tax on the shares of corporations not organized under its laws, but owning property in the state. In the case of corporations organized under New York laws and the laws of other states as well, such as Boston & Albany, the stock is taxed on the proportionate value of the property in New York.¹

The immoderate zeal displayed by New York in trying to get at non-resident estates can be illustrated by mentioning one line of attack. Administrators in other states, very soon after their appointment, are likely to receive a letter from a New York attorney, reciting that he has been designated for the purpose of instituting inheritance tax proceedings against the estate, demanding that a complete inventory of the estate be sent to him, and suggesting a penalty if it is not done promptly.

There seems to be a very strong sentiment in New York that this drastic law is a mistake. Farmers' organizations are protesting against the heavy burden it places on small estates. The Chamber of Commerce has adopted resolutions favoring the amendment or repeal of the law. The president of the American Chamber of Commerce in Paris has written saying: "We know many foreigners who have recently sold their securities and withdrawn their balances from New York to avoid payment

¹Matter of Cooley, 186 N. Y. 220; Matter of Thayer, 193 N. Y. 430.

of new heavy legacy taxes in case of their death." A Surrogate in a public address has referred to this law as "a policy of greed" and declared that because of it millions would be driven out of the state of New York.

The New York Safe Deposit Association has adopted a resolution petitioning the legislature to repeal the statute and calls upon other bankers' and merchants' organizations to join in the appeal. They claim that the new inheritance tax law is driving personal securities out of their vaults and outside the state "by the wagonload."

Clark Williams, state comptroller, in his current report to the legislature, says that the recently enacted amendments to the inheritance tax law are forcing men of wealth to take up their residence in other states. He says: "Evidence is not lacking that the exodus has already begun. Instances have lately been brought to my attention in which foreign capital seeking investment in New York, through banking houses, which by reason of their connection would, under normal conditions, have invested it in the stocks of domestic corporations, has, by reason of the hardship of this law, been diverted from the natural course and invested in the stocks of corporations domiciled in other states. No argument is needed to show the effect which a continuance of the present policy must have upon the corporations domiciled here."

The new amendments cannot be justified on the plea of need of addition revenue. The previous law, though obnoxious in its application to non-residents, had the merit of reasonable rates and was an important factor in eliminating direct property taxes for state purposes. It produced almost \$7,000,000 in 1909. In 1910 over \$8,200,000 was realized. The increase is not attributed by the comptroller to the new law, but to the collection of \$1,908,000 from six unusually large estates. The

comptroller apparently is inclined to believe that the new law may actually reduce the revenue by driving large estates out of New York.

The present law may tax a distant relative or a stranger 2 %, and this too, although any one of six other states may have already collected 15%.

Its effect upon as near a relative as a nephew may be almost as bad. Suppose a resident of New Jersey has \$2,000,000 of registered bonds of a Kansas corporation in a safe deposit vault in New York City. He dies and leaves this to his nephew, also a New Jersey resident. The New York tax (computed on a graduated scale with a maximum of 25%) is \$418,745; the New Jersey tax (5% straight) is \$100,000; the Kansas tax (from 3% to 12½% graduated) is \$233,220, a total of \$751,965, or over 37½% of the inheritance.

Then carry this a step further. Suppose the legatee dies within a few months before there has been any change in the location of the bonds and he in turn leaves the property, or what there is left of it, say \$1,250,000 for round figures, to his nephew. The New York tax on this is \$231,245; the New Jersey tax \$62,500 and the Kansas tax \$139,470, a total of \$433,215, bringing the estate down to only a little over \$800,000 against \$2,000,000 a few months before. Other states might well be substituted for New Jersey and Kansas without materially changing this result.

In 1897 Governor Black refused to sign an inheritance tax bill with a maximum rate of 15%, because of the hardship in the case of deaths in quick succession in the same family, because it would tend to drive away capital, and because the rates proposed were not uniform or fair. The more hat publicity is given to this recent enactment, the less it is liked. It will not be surprising if it is substantially modified.

Among the many prominent companies organized under New York laws are:

Adams Express*	Lackawanna Steel
American Express*	Lake Shore‡
American Telephone	Long Island Railroad
Brooklyn Rapid Transit	Manhattan Elevated
Brooklyn Union Gas	Mergenthaler Linotype
Buffalo, Rochester & Pittsburg†	New England Telephone
Butterick Co.	New York Central
Central & South Am. Tel.	New York, Ontario & Western
Consolidated Gas	Pacific Mail
Delaware & Hudson	Sears-Roebuck
Erie	Singer Manufacturing Co.
General Chemical	Third Avenue
General Electric	United Cigar Stores
Interborough-Metropolitan	United States Express*
International Paper	

*The express companies are not corporations but joint stock associations under New York laws.

†Buffalo, Rochester & Pittsburg—also in Pennsylvania.

‡Lake Shore—also in Illinois, Indiana, Ohio, Michigan, Pennsylvania.

NOTE.—Governor Dix in a special message to the legislature in March, 1911, recommended the repeal of this law. A bill has been introduced in accordance with this recommendation following the line of the model bill of the International Tax Association referred to later (page 113 infra).

9.

OKLAHOMA.

TAXATION THAT IS CONFISCATION—A STARTLING POSSIBILITY.

Oklahoma did not wait long after its admittance to the Union before adopting an inheritance tax law. This law was enacted at the 1907-8¹ session of the Oklahoma legislature and will not disappoint those who have learned to look to Oklahoma for radical and complicated legislation. The rather startling, though perhaps not wholly surprising feature of the law, in view of what supposedly conservative states have done, is that there is a progressive feature which results in the confiscation of all in excess of certain amounts, and not very large amounts at that.

The scheme of taxation may be briefly summarized as follows:¹

Inheritance to widow:

First \$10,000	exempt
Excess over \$10,000 up to \$15,000	1%
Excess over \$15,000	1-125 of 1% increase in rate for every \$100
Excess over \$1,252,500	100%

Inheritances to husband, lineal descendant, lineal ancestor, adopted or mutually acknowledged child, and lineal descendant of such child:

First \$5,000	exempt
Excess over \$5000 up to \$10,000	1%
Excess over \$10,000	1-125 of 1% increase in rate for every \$100
Excess over \$1,247,500	100%

Inheritances to brother, sister, descendant of brother or sister, wife or widow of son, husband of daughter:

First \$500	exempt
Excess over \$500 up to \$2500	1½%
Excess over \$2500	1-50 of 1% increase in rate for every \$100
Excess over \$495,000	100%

¹Oklahoma Compiled Laws 1909, Page 1549, Article 14, Chapter 98; session laws 1907-8, Page 733, Article 11, Chapter 81.

Inheritances to brother or sister of father or mother or their descendants:

First \$250.....	exempt
Excess over \$250 up to \$2250	3%
Excess over \$2250.....	1-50 of 1% increase in rate for every \$100
Excess over \$487,250	100%

Inheritances to brother or sister of grandfather or grandmother or their descendants:

First \$150.....	exempt
Excess over \$150 up to \$650	4%
Excess over \$650.....	1-10 of 1% increase in rate for every \$100
Excess over \$96,650	100%

All other inheritances:

First \$100.....	exempt
Excess over \$100 up to \$600	5%
Excess over \$600.....	1-10 of 1% increase in rate for every \$100
Excess over \$95,600	100%

Exemptions apply to each individual inheritance and not to the estate as a whole.

We hesitate to suggest that under a literal reading of the statute the rate of tax continues to increase even after 100% is reached.

Oklahoma taxes both stock and registered bonds of Oklahoma corporations owned by non-residents and the corporation itself is responsible for the tax if it transfers securities before the tax is paid.

This remarkable statute suggests interesting possibilities. Suppose a rich New York resident shows his appreciation of his best friend by naming him his executor, and leaves him in addition a handsome legacy of \$2,000,000 worth of stock in an Oklahoma corporation. The executor is not familiar with the gyrations of inheritance tax laws, and as he wishes to receive his dividends, he sends along the stock for transfer. Some one has borrowed our table of logarithms and our higher mathematics are a little rusty, but under this handicap we figure

that \$1,951,930 is a very close approximation to the Oklahoma tax on this legacy.

The exhilarating feature of the situation is not that he has only \$48,070 of the \$2,000,000 left when Oklahoma is through, but is that a tax of \$418,745 is still due on the legacy to the state of New York, and the executor is personally responsible for the payment of the entire amount!

This act has yet to be passed upon by the Oklahoma Supreme Court;—a court which, it may be noted, has already shown much sanity. It is hard to believe that the act could be sustained even under the remarkable constitution of this state.

It may not be surprising to learn that no corporation of really national importance has organized in Oklahoma. Among the prominent railroads in the state are Atchison; Kansas City; Mexico & Orient; Kansas City Southern; Missouri, Kansas & Texas; Rock Island; St. Louis & San Francisco, but none of them are incorporated under the laws of the state.

There is, however, a substantial amount of outside capital invested within the state in national banks, and in state banks and public service corporations that are organized under Oklahoma laws.

10.

MAINE.

Maine began to tax collateral inheritances in 1893 and direct inheritances in 1909. The following taxes are now imposed:

Direct inheritances,	
Inheritances to husband, wife, father, mother, child, adopted child:	
Under \$50,000	1%
\$50,000 to \$100,000	1½%
Over 100,000	2%
Exemption \$10,000*	
Inheritances to lineal ancestor (except parents), lineal descendant (except children), lineal descendant of adopted child, wife or widow of son, husband of daughter:	
Under \$50,000	1%
\$50,000 to 100,000	1½%
Over 100,000	2%
Exemption \$500*	
Collateral inheritances,	
Inheritances to brother, sister, uncle, aunt, nephew, niece, cousin:	
Under \$50,000	4%
\$50,000 to 100,000	4½%
Over 100,000	5%
Exemption \$500*	
All other inheritances.	
Under \$50,000	5%
\$50,000 to 100,000	6%
Over 100,000	7%
Exemption \$505*	

Revised Statutes Chap. 8. Sections 69–85, as amended by laws of 1905, Chapter 124, and laws of 1909 chapters 186 and 187.

*Exemptions apply to each individual inheritance and not to the estate as a whole.¹ Probate Courts have charge of inheritance tax matters. In some of them the tax is imposed on the full amount of the inheritance; thus an inheritance of \$40,000 to a child is taxed \$400, 1% on the whole \$40,000; but in other

¹State vs. Hamlin, 86 Me. 495.

Probate Courts the tax is collected on the excess over the exemption only, and in such courts the tax would be only \$300, 1% on the excess over \$10,000. The same uncertainty prevails in the case of large inheritances, as to whether they are taxable at the increased rate only, on the excess over the minimum figure or on the entire inheritance. There has been as yet no authoritative decision.

Maine has taken an advanced position in trying to avoid double taxation.

Property of a resident situated outside the state, if taxed by another state or country, is taxed in Maine only for the difference if the Maine tax is the greater.

Property of a non-resident within the jurisdiction of Maine, if subject to a tax in his home state or country, pays to Maine only so much as the Maine tax may be in excess of the tax in the place of residence.

Maine is taxing stock of Maine corporations owned by non-residents, but the usual provision that the corporation itself shall be responsible for the tax if it transfers stock before the tax is paid, is wanting in the Maine laws.

It seems to be the general practice in the Probate Courts to tax Boston & Maine shares on their full value, though the company is also incorporated in Massachusetts and New Hampshire, and only a relatively small portion of its line is in Maine. When an authoritative ruling is made on this point, it will be surprising if it does not follow the Massachusetts and New York practice of taxing the stock according to the relative proportion of the line within the state.

The collateral inheritance tax was producing \$75,000 to \$100,000 annually. The addition of a tax on direct inheritance is likely to increase this materially.

Among the better known companies organized under Maine laws are:

American Zinc	Mexican Tel. & Tel.
Androscoggin Mills	Nevada Consolidated
Arizona Commercial	Nipissing
Atlantic, Gulf & W. I.	Northern Texas Electric
Bangor & Aroostook	Pepperell Mfg.
Bates Mfg.	Ray Consolidated
Berlin Mills	Reece Buttonhole
Boston & Corbin	Reece Folding Machine
B.&M. (also Mass. and N.H.)	Revere Sugar
Continental Mills	Submarine Signal
Draper Company	Torrington
Eastern Steamship	Union Mills
Edwards Mfg.	U. S. Envelope
Franklin Company	U. S. Smelting
Galveston Houston Elec.	U. S. Worsted
Hill Mfg.	Utah Apex
Inspiration	Winthrop Mills
Int. Buttonhole	York Mfg.
Island Creek Coal.	Yukon Gold
La Rose	

NOTE.—The 1911 Legislature exempted from the inheritance tax stock owned by non-residents in Maine corporations whose business is done outside the state. The missing provision holding the corporation responsible if it transfers stock on which the tax has not been paid was inserted. It was also provided that shares of railroad and similar corporations owned by non-residents should be taxed only on the proportionate part of their line within the state of Maine. Laws of 1911, chapter 163.

NEW HAMPSHIRE.

New Hampshire's first inheritance tax, 1% on collateral inheritances, enacted in 1878, was held unconstitutional in 1882.¹

An amendment to the constitution in 1903 paved the way for the present collateral inheritance tax enacted in 1905.²

The tax is on collateral inheritances only, the rate is uniformly 5%, and no amount is exempt. No tax is levied on an inheritance to father, mother, husband, wife, lineal descendant, brother, sister, adopted child, lineal descendant of adopted child, wife or widow of son, husband of daughter.³

New Hampshire taxes stock in a New Hampshire corporation owned by a non-resident⁴ and, moreover, taxes registered bonds of a New Hampshire corporation owned by a non-resident though kept outside the state. Corporations and individuals transferring or delivering securities or other assets of non-residents are made responsible for the tax. Boston & Maine stock is taxed only on the proportion of its line within New Hampshire.

It is the practice to require a complete inventory of a non-resident's estate.

New Hampshire is the only New England state that has no provision whatever for preventing or reducing double taxation.

This tax has been producing about \$80,000 a year.

Among the more prominent companies organized under the laws of New Hampshire are the following:

Amoskeag Mfg.	Jackson Company
B. & M. (also Mass. Me.)	Nashua Mfg.
Great Falls Mfg.	

¹Curry v. Spencer, 61 N. H. 624.

²For constitutionality see Thompson vs. Kidder, 74 N. H. 89.

³Laws 1905, chap. 40, as amended by Laws 1907, chaps. 68, 82, 138 and Laws 1909, chap. 104.

⁴Gardiner v. Carter, 74 N. H. 507.

Also the following Boston & Maine subsidiaries:

Concord & Claremont	Nashua & Lowell (also Mass.)
Concord & Montreal	Northern Railroad
Concord & Portsmouth	Pemigewasset Valley
Franklin & Tilton	Peterborough R. R.
Manchester & Keene	Peterborough & Hillsborough
Manchester & Lawrence	Suncook Valley
Nashua & Acton (also Mass.)	Wilton R. R.

NOTE.—The Legislature of 1911 enacted an inheritance tax law which confirms and strengthens the earlier laws (House Bill 37).

12.

VERMONT.

Vermont's first collateral inheritance tax was enacted in 1896¹ and substantially amended in 1904. Its main features are very similar to the New Hampshire statute.

The tax is on collateral inheritances only, the rate is uniformly 5%, and no amount is exempt. No tax is levied on an inheritance to father, mother, husband, wife, lineal descendant, step-child, adopted child, child of step-child or of adopted child, wife or widow of son, husband of daughter.²

A bill for a graduated direct inheritance tax passed the House of Representatives during the 1910-1911 session but it failed to pass the Senate.

Vermont taxes stock in a Vermont corporation or national bank owned by a non-resident and like New Hampshire taxes registered bonds as well. It goes even a step further and makes a claim for an inheritance tax where a deceased non-resident owns stock in a corporation not incorporated under the laws of Vermont provided such foreign corporation has its principal office in Vermont. Corporations and individuals transferring or delivering securities, and banks that pay deposits of non-residents, are made responsible for the tax.

It is the practice of the tax authorities to require an inventory of the entire property of the deceased, and a copy of the will before permitting a Vermont corporation to transfer securities owned by a deceased non-resident.

If any inheritance tax has been paid by either a resident or non-resident to any other state or government, except the

¹For constitutionality see *Hickok's Estate*, 78 Vt. 259.

²Public Stats. chap. 38, §§821-901 as amended by Acts 1908, No. 31, approved January 28, 1909.

United States, on account of the transfer of securities, bank deposits or other assets, the Vermont tax is limited to an amount sufficient to make the total tax 5%.

Vermont does not tax the bank deposits of a Vermont resident in another state and this would seem to apply to securities outside the state as well.¹

Among the more prominent companies organized under the laws of Vermont are:

Fairbanks & Co.
Central Vermont
Conn. & Pass. Rivers
Rutland R. R. (also N. Y.)
Vermont Valley R. R.

¹Joyslin's Estate, 76 Vermont 88.

13.

ILLINOIS.

A STATE WHOSE PRACTICE IS MUCH CRITICISED IN SPITE OF
LIBERAL EXEMPTIONS.

Illinois adopted a tax on all kinds of inheritances in 1895 which included progressive rates applying to distant relatives and strangers with a maximum of 6%.¹ The constitutionality of the statute was sustained in the Illinois Supreme Court.² Later the question was raised in the Supreme Court of the United States, which, in a very far-reaching decision, held that progressive taxation and substantial exemptions do not infringe the equal protection of the laws guaranteed by the Fourteenth Amendment.³

The following taxes are now imposed:⁴

Direct inheritances including those to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or acknowledged child, lineal descendant:

Under \$20,000	exempt
From 20,000 to \$100,000.....	1%
Over 100,000	2%

(\$20,000 is always exempt and only the excess over this amount is taxed.)

Collateral inheritances:

Inheritances to uncle, aunt, niece, nephew and their lineal descendants.

Under \$2,000	exempt
From 2,000 to \$20,000.....	2%
Over 20,000	4%

(\$2,000 is always exempt and only the excess over this amount is taxed.)

¹Laws of 1895, p. 301.

²Kochersperger vs. Drake, 167 Ill. 122.

³Magoun vs. Illinois Trust & Savings Bank, 170 U. S. 283. See also Billings vs. Illinois, 188 U. S. 97.

⁴Rev. Stats. 1909, Chapter 120, Sections 366-388; Senate Bill No. 498 approved June 14, 1909.

All other inheritances,		
Under	\$500	..... exempt
From	500 to \$10,000	..... 3%
From	10,000 to 20,000	..... 4%
From	20,000 to 50,000	..... 5%
From	50,000 to 100,000	..... 6%
Over	100,000	..... 10%

The exemptions apply to the individual shares, not to the estate as a whole. The exemption of \$20,000 is the most liberal given to direct heirs in any state.

Illinois taxes stock in Illinois corporations owned by non-residents wherever held. If the corporation transfers the stock without notifying the tax authorities, it is made liable for the tax and is subject to a penalty as well.

A bank deposit of a non-resident in Illinois, and both stocks and bonds of an Illinois corporation, kept by a non-resident in a safe deposit box in Illinois, are subject to the inheritance tax, but stocks and bonds of foreign corporations owned by a non-resident so kept in a safe deposit box are not subject to the tax.¹

Illinois requires the executor or administrator of a non-resident estate to answer, under oath, a printed list of questions before consent is given to the transfer of any Illinois stocks; but this does not necessarily involve setting forth an inventory of the entire estate.

Illinois is taxing stock, owned by non-residents, of foreign corporations that own property in Illinois. We are informed by the tax authorities "that it depends upon the conditions under which the property is held here as to whether a claim would be made." We have yet to learn, however, of any condition under which such stock would not be taxed.

There seems to be more complaint made against the treatment of non-resident estates by Illinois than in the case of any other of the states, not even excepting New York.

¹People vs. Griffith, 245 Ill. 532.

A lawyer expresses this sentiment as follows:

“The state of Illinois is particularly unfair toward non-residents and perhaps indicates it in no stronger way than by its refusal to apportion such stocks as that of Illinois Central, organized under the laws of Illinois and extending through several other states, while at the same time insisting upon an apportionment of such stocks as Rock Island, which are incorporated in other states but have some of their line in Illinois. In other words, this particular state is grabbing everything in sight.”

On this subject the Inheritance Tax Attorney for Illinois says:

“The rates of taxation in New York, New Jersey and all other eastern states, as well as all states in the Union which have inheritance tax laws, embody rates of taxation greatly in excess of those provided in the inheritance tax laws of this state. The exemptions provided by our law are so large and liberal that 90% at least of all of the securities transferred (owned at death by non-resident decedent) are not taxable at all.”

This tax has been producing a revenue of between \$500,000 and \$750,000 annually.

Among the more prominent companies organized under the laws of Illinois are:

Chicago & Alton
 Chicago, Burlington & Quincy
 Chicago & Eastern Illinois
 Chicago Great Western
 Chicago & Northwestern (also Wis. & Mich.)
 Chicago Railways
 Chicago, Rock Island & Pacific Ry.* (also Ia.)
 Chicago Telephone
 Diamond Match
 Illinois Brick
 Illinois Central
 Peoples Gas
 Pitts., C., C. & St. L. (also W. Va., Pa., Ind.)
 Pullman
 Wabash (also Ind., Mich., Mo., Ohio)

*Chicago, Rock Island & Pacific Railroad is an Iowa corporation. Rock Island Co. is a New Jersey corporation.

14.

CONNECTICUT.

A RETALIATIVE CLAUSE AGAINST DOUBLE TAXATION—SOME
OFFICIAL INFORMATION FROM OTHER STATES.

Connecticut adopted a collateral inheritance tax in 1889 and extended it to direct heirs in 1897. The state Supreme Court decided that the personal property of a non-resident was not taxable under this statute, but that the law as amended in 1903 included such property.¹ There were important revisions in 1907 and 1909.

The following taxes are imposed:²

Direct inheritances, including those to parent, husband, wife, lineal descendant and adopted child,
uniformly 1%.

Exemptions:

If the entire estate passes to such heirs, exemption is \$10,000. This applies to the estate as a whole, not to the individual shares. If the estate passes in part to direct heirs and in part to others, such portion of \$10,000 as the share of the direct heirs bears to the whole estate is exempt. This exemption applies to the aggregate interest of the direct heirs, not to the individual shares.

An estate of a non-resident is only entitled to an exemption of such portion of \$10,000 as the Connecticut part of the estate is to the entire estate, and this may be reduced as above if other than direct heirs share the estate.

Collateral inheritances, including all other inheritances,
uniformly 5%.

No exemption.

The Connecticut statute is unique and commendable in that it specifically sets forth the property of non-residents

¹Gallup's Appeal, 76 Conn. 627. For constitutionality see Nettleton's Appeal, 76 Conn. 235; Hopkins' Appeal, 77 Conn. 644.

²Gen. Stats. §§305, 2367-2377; Acts 1903, chapter 63; Acts 1905, chapter 256; Acts 1907, chapter 179; Acts 1909, chapter 218.

which is subject to the tax. In most states the statute is silent on the subject, and as there are few authoritative decisions, the tax authorities must make their own ruling. This portion of the statute is worth quoting. It provides that the following property belonging to non-residents shall be subject to the tax:

“All real estate and tangible personal property, including moneys on deposit, within this state; all intangible personal property, including bonds, securities, shares of stock, and choses in action the evidences of ownership of which shall be actually within this state; shares of the capital stock or registered bonds of all corporations organized and existing under the laws of this state the certificates of which stocks or such bonds shall be without this state, where the laws of the state or country in which such decedent resided shall, at the time of his decease, impose a succession, inheritance, transfer, or similar tax upon the shares of the capital stock or registered bonds of all corporations organized or existing under the laws of such state or country, held under such conditions at their decease by residents of this state.”

This last retaliative provision, under which Connecticut taxes stock and registered bonds of Connecticut corporations owned by residents of states which so tax stocks and registered bonds of their own corporations when owned by Connecticut residents, is an interesting attempt to reduce double taxation and is more effective in doing so than the Massachusetts reciprocal provision.

Because the wording of the inheritance tax statute in many of the states is so ambiguous, the Tax Commissioner of Connecticut as has already been noted considers it his duty to obtain official information from the different states as to the practice which is there followed.¹ Under date of Dec. 15, 1910, the tax commissioner enumerates the following states as the ones whose

¹See page 16 supra.

residents must pay an inheritance tax on stock of a Connecticut corporation wherever the certificate may be:

Colorado	New Hampshire
Illinois	New Jersey
Iowa	New York
Kansas	North Carolina
Maine	Oklahoma
Massachusetts	Vermont
Michigan	Wisconsin

A resident of the following states must pay an inheritance tax on the registered bonds of a Connecticut corporation wherever the bonds may be:

Colorado	New Hampshire
Kansas	Oklahoma
Michigan	Vermont

Estates of residents of the states not enumerated are not required to pay a tax on Connecticut stock or registered bonds as the case may be.

Since 1908 eight states have been added to, and two states dropped from the Connecticut list of states taxing stock of non-residents, and three states added to the list of those taxing registered bonds.

Hon. William H. Corbin, Tax Commissioner of Connecticut, who has been a leader in the movement for a uniform inheritance tax in urging that the duty of determining inheritance taxes be transferred to his office, says in his report to the 1911 Legislature:

“Under the present statute, each probate judge of Connecticut determines the amount of the inheritance tax due the state on all estates under his jurisdiction. There are 113 probate judges in as many probate districts in the state. With some diversity in the interpretation and application of the inheritance tax law by these judges, a quite different method of determining this tax is followed by some judges from that which obtains with others.”

From this faithful picture of conditions in a state whose statute is the most specific and definite, the situation can be

imagined in most of the states whose statutes are vague and general.

Any person or corporation that transfers or delivers any taxable property of a non-resident without the permission of the tax commissioner is subject to a penalty of three times the amount of the tax.

It is not the practice to require a complete inventory of the estate of a non-resident, but the total amount of the estate must be set forth and an inventory of the property actually and constructively in Connecticut is required. The tax has been producing about \$300,000 annually.

Among the more prominent companies organized under the laws of Connecticut are:

American Agricultural Chemical
American Brass
Connecticut Ry. & Light
N. Y., N. H. & H., (also Mass. and R. I.)
Pope Mfg.
Scovill Mfg.
United States Finishing

15.

NORTH CAROLINA.

North Carolina had a collateral inheritance tax from 1847 to 1874. A modest tax was imposed on both direct and collateral inheritances in 1897. In 1901 the rates were substantially increased and made progressive with a maximum of 15%.¹ This enactment was much more radical than that adopted by any of the states up to that time, but almost duplicated the national inheritance tax of 1898, which was then in force.

The following taxes are imposed:²

Direct inheritances,	
Inheritances to wife or husband, entirely exempt.	
Inheritances to lineal issue, lineal ancestor, brother, sister, or person standing in relation of child	$\frac{3}{4}$ of 1%
Collateral inheritances,	
Inheritances to descendant of brother or sister	1 $\frac{1}{2}$ %
Inheritances to brother or sister of father or mother or descendants of same	3%
Inheritances to brother or sister of grandfather or grandmother or descendants of same	4%
All other inheritances,	
Under \$5,000	5%
\$5,000 to 10,000	7 $\frac{1}{2}$ %
10,000 to 25,000	10%
25,000 to 50,000	12 $\frac{1}{2}$ %
Over 50,000	15%
Exemption in every case \$2,000.	

The exemption applies to each individual share and not to the estate as a whole.

North Carolina taxes stock in a North Carolina corporation owned by a non-resident. It holds the corporation responsible

¹For constitutionality see Pullen vs. Commissioners, 66 N. C. 361; In re Morris Estate, 138 N. C. 259.

²Public Laws 1909, Chapter 438, §§6 to 21.

if it permits the transfer of such stock before the tax is paid. The statute applies to the transfer by the corporation of bonds as well, but no tax is being collected on bonds of North Carolina corporations owned by non-residents. This tax has been producing about \$10,000 annually.

No corporation of national investment importance is organized under North Carolina laws.

16.

TENNESSEE.

Tennessee adopted a collateral inheritance tax in 1891 and extended the tax to direct inheritances in 1909.

The following taxes are imposed:¹

Inheritances to father, mother, husband		
wife, child (but not adopted child) lineal		
descendant,		
Under	\$5,000	exempt
From	5,000 to 20,000.....	1%
Over	20,000	1½%
All other inheritances,		
Under	\$250.....	exempt
Over	250.....	5%

The exemption applies to the entire estate, not to the individual shares.

Tennessee is not attempting to collect a tax on stock in a Tennessee corporation owned by a non-resident when the shares are physically out of the state, although there is a clause holding the corporation responsible if it transfers stock for a foreign executor or administrator before the tax is paid, and the language of the statute does not differ materially from that in many states which tax such stock.

The collateral inheritance tax was producing about \$50,000 annually. The addition of direct inheritances should materially increase this.

Among the more prominent companies organized under the laws of the state of Tennessee are:

Nashville, Chattanooga & St. Louis
 Tennessee Central
 Tennessee Coal & Iron

¹Acts 1893, Chapter 174; Acts 1903, Chapter 561; Acts 1909, Chapter 479, Section 20; See Zickler vs. Union Bank, 104 Tenn. 277.

17.

ARKANSAS.

Arkansas adopted a collateral inheritance tax in 1901 and extended the tax to direct inheritances in 1907. The following taxes are now imposed:¹

Inheritances to grandparent, father, mother, husband, wife, lineal descendant, brother, sister, adopted child,	
If entire estate is under \$5,000	exempt
On the excess over \$5,000	1%
Inheritances to uncle, aunt, niece, nephew and their lineal descendants,	
If entire estate is under \$2,000	exempt
On the excess over \$2,000	2%
All other inheritances:	
If entire estate is under \$1,000	exempt
If entire estate is \$1,000 to 10,000	3%
If entire estate is 10,000 to 20,000	4%
If entire estate is 20,000 to 50,000	5%
If entire estate exceeds 50,000	6%

The Attorney General has ruled that the exemptions apply to the estate as a whole, not to the individual shares.

We are advised by the Attorney General's office that shares of stock in an Arkansas corporation owned by a non-resident decedent, and passing to a non-resident beneficiary, are subject to the inheritance tax, as being property within the jurisdiction of the state of Arkansas, on the ground that as the domicile of the corporation is in Arkansas and its capital stock is taxable in Arkansas, any of that stock owned by a decedent, whether a resident or a non-resident, would be liable to a succession tax.

On the other hand, the tax commissioner of Connecticut is officially informed that Arkansas does not tax shares of stock in Arkansas corporations owned by non-resident decedents when

¹Act of May 31, 1909.

such shares of stock were physically out of the state on the date of the death of the decedent, and for that reason has ruled that the retaliative provision of the Connecticut law does not apply to residents of Arkansas. The usual provision holding the corporations responsible for the collection of the tax is not found in the Arkansas statutes, and it contains no specific reference to the property of non-residents. The tax has been producing less than \$1000 per year.

Among the more prominent companies organized under the laws of Arkansas are:

Arkansas Midland
Arkansas Southwestern
Louisiana & Arkansas

18.

TEXAS.

Texas adopted a collateral inheritance tax in 1907. Inheritances to father, mother, husband, wife and lineal descendant are exempt.

The following taxes are imposed:¹

Inheritances to lineal ancestor (except father or mother) brother or sister and lineal descendant of same,		
Under	\$2,000	exempt
Excess over	2,000 up to \$10,000....	2%
Excess over	10,000 up to 25,000....	2½%
Excess over	25,000 up to 50,000....	3%
Excess over	50,000 up to 100,000....	3½%
Excess over	100,000 up to 500,000..	4%
Excess over	500,000	5%
Inheritances to uncle or aunt or their lineal descendants,		
Under	\$1,000	exempt
Excess over	1,000 up to \$10,000....	3%
Excess over	10,000 up to 25,000....	4%
Excess over	25,000 up to 50,000....	5%
Excess over	50,000 up to 100,000....	6%
Excess over	100,000 up to 500,000....	7%
Excess over	500,000	8%
All other inheritances:		
Under	\$500	exempt
Excess over	500 up to \$10,000....	4%
Excess over	10,000 up to 25,000....	5½%
Excess over	25,000 up to 50,000....	7%
Excess over	50,000 up to 100,000....	8½%
Excess over	100,000 up to 500,000....	10%
Excess over	500,000	12%

The exemption applies to each individual share, not to the estate as a whole.

Texas is not now claiming a tax on stock of a Texas corpor-

¹General Laws of Texas, p. 496; Acts First Called Session, 30th Legislature (1907), chap. 21.

ation owned by a non-resident, and there is no provision for collecting such a tax through the corporation, such as is usually found. The language of the statute, however, does not differ materially from that of many of the states that claim such a tax.

Among the more prominent companies organized under the laws of the state of Texas are:

International & Great Northern
Texas Central
Texas Co.

19.

KANSAS.

Kansas adopted a tax on all inheritances in 1909. The following taxes are imposed:¹

Inheritances to husband, wife, lineal ancestor, lineal descendant, adopted child, lineal descen- dant of adopted child, wife or widow of son, husband of daughter:	
Under \$25,000	1%
Excess over 25,000 up to \$50,000	2%
Excess over 50,000 up to 100,000	3%
Excess over 100,000 up to 500,000	4%
Excess over 500,000	5%
Exemption \$5,000 (to husband, wife, father, mother, child, adopted child only).	
Inheritances to brother, sister, nephew, niece:	
Under \$25,000	3%
Excess over 25,000 up to \$50,000	5%
Excess over 50,000 up to 100,000	7½%
Excess over 100,000 up to 500,000	10%
Excess over 500,000	12½%
Exemption \$1,000.	
All other inheritances:	
Under \$25,000	5%
Excess over 25,000 up to \$50,000	7½%
Excess over 50,000 up to 100,000	10%
Excess over 100,000 up to 500,000	12½%
Excess over 500,000	15%
No exemption.	

The exemptions apply to each individual share not to the estate as a whole. If the Kansas portion of the inheritance is less than the exemption Kansas collects no tax.

Kansas is taxing stock of a Kansas corporation owned by a non-resident, and registered bonds as well. The corporation is held responsible if it transfers securities before the tax is paid.

Kansas is the only state outside New England, except West Virginia, whose statute contains any provision for avoiding

¹Laws 1909, chapter 248. Gen. Stats. (1909) chapter 116, Article 7, §§ 9265 to 9291.

double taxation. It is the same reciprocal clause that is found in Massachusetts. Personal property of a deceased resident outside the state which is taxed by another state or country is not taxed by Kansas unless such tax is less than the Kansas tax, and then Kansas collects only the difference. Property of a non-resident in Kansas, including stock wherever situated in a Kansas corporation, will not be taxed (except for the difference if Kansas rates are higher) if owned by a resident of a state which extends similar courtesies to residents of Kansas. Massachusetts, Maine and Vermont seem to be the only states that do so.

It is the practice in Kansas to require a complete inventory of the estate of a non-resident which has any property subject to Kansas jurisdiction.

Among the more prominent companies organized under the laws of Kansas are:

Atchison
Kansas City, Ft. Scott & Memphis
Kansas City, Mexico & Orient
Missouri, Kansas & Texas
St. Joseph & G. I. (also Neb.)

20.

NEBRASKA.

Nebraska enacted its inheritance tax in 1901.¹ The following taxes are imposed:²

Direct inheritances, including those to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or acknowledged child, lincal descendant,		
Under	\$10,000	..... exempt
Excess over	\$10,000	..... 1%
Collateral inheritances,		
Inheritances to uncle, aunt, niece, nephew and lincal descendant of same		
Under	\$2,000	..... exempt
Excess over	2,000	..... 2%
All other inheritances,		
Under	\$5,000	..... 2%
\$5,000 to	10,000	..... 3%
10,000 to	20,000	..... 4%
20,000 to	50,000	..... 5%
Over	50,000	..... 6%
Exemption \$500.		

The exemptions apply to each individual share rather than to the estate as a whole, though the language creating the \$500 exemption is ambiguous.

It is a fair construction of the statute that stock in a Nebraska corporation owned by a non-resident is subject to the tax, especially as there is a provision holding the corporation responsible if it transfers stock for a foreign executor before the tax is paid, if it has knowledge that the stock is subject to tax. The tax authorities are not collecting a tax on such stock at present if the certificate is kept outside the state.

The proceeds of the inheritance tax are to be spent for the

¹For constitutionality see *State vs. Vinsonhaler*, 74 Neb. 675.

²Compiled Stats. (1905) chapter 77, Article VIII., §§5176 to 5196.

improvement of county roads, but if there are no other funds available for the purpose, the county roads can hardly have reached the European standard as yet—the receipts have averaged less than \$3000 a year.

Except St. Joseph & Grand Island (also incorporated in Kansas) there is no corporation of national investment importance organized under Nebraska laws.

21.

WISCONSIN.

Wisconsin's first inheritance tax law, passed in 1868, amounted to little more than a sliding scale of probate fees, and after various amendments was declared unconstitutional.¹ A genuine inheritance tax, enacted in 1899, was declared unconstitutional because the exemption applied to the estate as a whole, not to the individual shares.² Finally in 1903 the legislature passed an act which satisfied the constitutional requirements.³

The following taxes are imposed:⁴

Direct inheritances,

Inheritance to widow:

First	\$10,000	.....	exempt
Excess over	10,000 up to \$25,000	....	1 $\frac{1}{2}$ %
Excess over	25,000 up to 50,000	....	2%
Excess over	50,000 up to 100,000	....	2 $\frac{1}{2}$ %
Excess over	100,000 up to 500,000	....	3%

Inheritances to husband, lineal issue, lineal ancestor, adopted or mutually acknowledged child and lineal issue of such child:

First	\$2,000	.....	exempt
Excess over	2,000 up to \$25,000	....	1 $\frac{1}{2}$ %
Excess over	25,000 up to 50,000	....	2%
Excess over	50,000 up to 100,000	....	2 $\frac{1}{2}$ %
Excess over	100,000 up to 500,000	....	3%

¹State vs. Mann, 76 Wis. 469.

²Black vs. State, 113 Wis. 205.

³Nunnemacher vs. State, 129 Wis. 190.

⁴Laws 1903, Chapter 44, 249; Laws of 1905, Chapter 96; Laws 1907, Chapter 500; Laws 1909, Chapter 38, 504; Wisconsin Statutes, Sections 1087-1 to 1087-24 inc., 162, 3818, 3813a, and 3871a.

Collateral inheritances,

Inheritances to brother, sister, or their descendants, wife or widow of son, husband of daughter:

First	\$500	.....	exempt
Excess over	500 up to \$25,000	....	1½%
Excess over	25,000 up to 50,000	....	2¼%
Excess over	50,000 up to 100,000	....	3%
Excess over	100,000 up to 500,000	....	3¾%
Excess over	500,000	.....	4½%

Inheritances to brother or sister of father or mother or their descendants:

First	\$250	.....	exempt
Excess over	250 up to \$25,000	....	3%
Excess over	25,000 up to 50,000	....	4½%
Excess over	50,000 up to 100,000	....	6%
Excess over	100,000 up to 500,000	....	7½%
Excess over	500,000	.....	9%

Inheritances to brother or sister of grandfather or grandmother or their descendants:

First	\$150	.....	exempt
Excess over	150 up to \$25,000	....	4%
Excess over	25,000 up to 50,000	....	6%
Excess over	50,000 up to 100,000	....	8%
Excess over	100,000 up to 500,000	....	10%
Excess over	500,000	.....	12%

All other inheritances:

First	\$100	.....	exempt
Excess over	100 up to \$25,000	....	5%
Excess over	25,000 up to 50,000	....	7½%
Excess over	50,000 up to 100,000	....	10%
Excess over	100,000 up to 500,000	....	12½%
Excess over	500,000	.....	15%

The exemption applies to each individual share, not to the estate as a whole. If the Wisconsin portion of an inheritance is less than the exempted amount, Wisconsin imposes no tax.

Wisconsin taxes stock in a Wisconsin corporation owned by a non-resident in a foreign corporation owning property in Wisconsin also taxable. On this point the Attorney General says: "This question has never been before our Supreme Court,

and this department has not had occasion as yet to deal with a case squarely in point."

A corporation or individual that transfers or delivers any securities or assets of a non-resident without first notifying the Attorney General, and then receiving his permission to do so, is responsible for the tax. It is not the practice to require a complete inventory of a non-resident's estate. The tax is producing not far from \$200,000 annually.

Among the more prominent companies organized under the laws of Wisconsin are:

Chic. & N. W. (also Ill. & Mich.)
Chic., Mil. & St. P.
Chic., St. P., Minn. & Omaha
Northern Pacific

22.

CALIFORNIA.

California adopted a collateral inheritance tax in 1893 following the old New York law. In 1905 the present law was passed copying the Wisconsin statute except that the exemptions are more liberal.

The following taxes are imposed:¹

Direct inheritances,

Inheritances to widow or minor child:

First	\$10,000	.....	exempt
Excess over	10,000 up to \$25,000	....	1 $\frac{1}{2}$ %
Excess over	25,000 up to 50,000	....	2%
Excess over	50,000 up to 100,000	....	2 $\frac{1}{2}$ %
Excess over	100,000 up to 500,000	....	3%

Inheritances to husband, lineal issue (except minor child), lineal ancestor, adopted or mutually acknowledged child,

First	\$4,000	.....	exempt
Excess over	4,000 up to \$25,000	....	1 $\frac{1}{2}$ %
Excess over	25,000 up to 50,000	....	2%
Excess over	50,000 up to 100,000	....	2 $\frac{1}{2}$ %
Excess over	100,000 up to 500,000	....	3%

Collateral inheritances:

Inheritances to brother, sister, or their descendants, wife or widow of son, husband of daughter:

First	\$2,000	.....	exempt
Excess over	2,000 up to \$25,000	....	1 $\frac{1}{2}$ %
Excess over	25,000 up to 50,000	....	2 $\frac{1}{4}$ %
Excess over	50,000 up to 100,000	....	3%
Excess over	100,000 up to 500,000	....	3 $\frac{3}{4}$ %
Excess over	500,000	.....	4 $\frac{1}{2}$ %

Inheritances to brother or sister of father or mother or their descendants:

First	\$1,500	.....	exempt
Excess over	1,500 up to \$25,000	....	3%
Excess over	25,000 up to 50,000	....	4 $\frac{1}{2}$ %
Excess over	50,000 up to 100,000	....	6%
Excess over	100,000 up to 500,000	....	7 $\frac{1}{2}$ %
Excess over	500,000	.....	9%

¹Statutes 1905, Chapter 314.

Inheritances to brother or sister of grandfather
or grandmother or their descendants:

First	\$1,000	.....	exempt
Excess over	1,000 up to \$25,000	....	4%
Excess over	25,000 up to 50,000	....	6%
Excess over	50,000 up to 100,000	....	8%
Excess over	100,000 up to 500,000	....	10%
Excess over	500,000	.....	12%

All other inheritances:

First	\$500	.....	exempt
Excess over	500 up to \$25,000	....	5%
Excess over	25,000 up to 50,000	....	7½%
Excess over	50,000 up to 100,000	....	10%
Excess over	100,000 up to 500,000	....	12½%
Excess over	500,000	.....	15%

The exemptions apply to each individual share, not to the estate as a whole.

The Supreme Court of California has decided that the tax is on the excess over the exemption, not, as in many states, on the entire inheritance if it exceeds the exemption.¹

We are advised by the Controller's office that California taxes stock of a California corporation owned by a non-resident. This is the construction of the statute made by Superior Courts, but the question has not been passed upon by the Supreme Court.

Corporations and individuals delivering or transferring certificates or assets of a non-resident estate are responsible for the tax. It is not the practice to require a complete inventory of a non-resident's estate.

The old collateral tax seldom produced more than \$300,000 annually. The present tax receipts are running close to \$1,000,000.

Among the more prominent companies organized under the laws of the state of California are:

Pacific Tel. & Tel.
Southern Pacific R. R.²

¹Estate of Bull, 153 Cal. 715.

²Southern Pacific Co., the holding company, whose shares are active in New York, is a Kentucky corporation.

23.

IDAHO.

Idaho, in 1907, copied the present California law almost verbatim.¹

The classification, rates of tax and exemptions are exactly as given for California.²

Idaho is not collecting a tax on stock of an Idaho corporation owned by a non-resident if the shares are physically outside of the state, although the statute contains the common provision holding the corporation responsible for the tax if it transfers such stock before the inheritance tax is paid. The tax has as yet been of no consequence as a revenue producer.

There are no companies of general investment importance organized under the laws of Idaho.

¹Session Laws 1907, p. 558; Idaho Revised Codes, Title 10, Chapter 5, §§1873 to 1897.

²See page 81.

24.

MINNESOTA.

Minnesota has had much difficulty in getting an inheritance tax that would satisfy the courts. Graduated probate fees similar to those in Wisconsin, first adopted in 1875 and extended in 1885, were held unconstitutional.¹ The same fate successively befell the inheritance tax laws of 1897, 1901 and 1902.² The present Act adopted in 1905 survived, but none too easily.³ A restrictive constitutional amendment adopted in 1894⁴ which the legislature persisted in disregarding, was supplanted in 1906⁵ by another amendment, which gives the legislature broad powers to impose inheritance taxes.

The following taxes are imposed:⁶

On all inheritances,	
Under \$10,000.....	exempt
From 10,000 to 50,000.....	1½%
From 50,000 to 100,000.....	3%
Over 100,000.....	5%

The exemption applies to each individual share, not to the estate as a whole, and the tax in every case is only on the excess of the inheritance over \$10,000. Minnesota and Utah are the only states that make no distinction between direct and collateral inheritances. The attorney general ruled on Dec. 14, 1909, that stock of a Minnesota corporation owned by a non-resident and kept outside the state is taxable. The statute provides that no

¹State v. Gorman, 40 Minn. 232.

²Drew v. Tift, 79 Minn. 175; State v. Bazille, 87 Minn. 500; State v. Harvey, 90 Minn. 180.

³State v. Bazille, 97 Minn. 11.

⁴General Laws 1895, p. 3.

⁵See Laws of 1905, chapter 168.

⁶General Laws 1905, chapter 288.

transfer of stock shall be valid unless the tax is paid, and that any person, bank or institution that transfers or delivers securities before the tax is paid shall be responsible for it. It is not the practice to require an inventory of the estate of a non-resident.

Among the more prominent corporations organized under the laws of Minnesota are:

Great Northern
Minneapolis & St. Louis
Minn. St. Paul & S. S. M. (also N. D.)
Greene-Cananea
North Butte
Shattuck-Arizona

25.

MONTANA.

Montana's inheritance tax was adopted in 1897.¹ The following taxes are imposed:²

Direct inheritances, including those to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child, lineal descendant 1%

Exemption, estates under \$7,500.

(It seems to have been intended to exempt from taxation real estate passing to direct heirs. The language of the statute is very much confused, and as it reads, real estate passing to lawful issue, brother, sister, wife or widow of son, husband of daughter, adopted child and lineal descendant of adopted child is not taxed; but real estate passing to father, mother, husband or wife is taxed 5%.)

Collateral inheritances, including all other inheritances 5%

Exemption, estates under \$500.

The exemptions apply to the estate as a whole, not to the individual shares.

Montana is not taxing stock of Montana corporations owned by non-residents, though the statute contains a provision holding the corporation responsible for the tax if it transfers stock with actual or constructive knowledge that it is subject to the tax.

It is therefore rather surprising to find that Montana taxes stock of non-residents in foreign corporations which own property in Montana. It is not the practice to require an inventory of

¹For constitutionality see *Gelsthorpe vs. Furnell*, 20 Mont. 299.

²Revised Codes 1907, Sections 7724 to 7751.

a non-resident's estate. The tax has been producing between \$10,000 and \$20,000.

The most important company organized under Montana laws is Anaconda. The other important companies doing business in Montana are organized under the laws of other states.

26.

NORTH DAKOTA.

North Dakota adopted a collateral inheritance tax in 1903. Collateral inheritances only are taxed. The rate is uniformly 2% on the excess over \$25,000.

Inheritances not taxed are those to father, mother, husband, wife, lineal descendant, adopted child, lineal descendant of adopted child.¹

Stock in a North Dakota corporation owned by a non-resident is not taxed. This tax has produced little, if any, revenue. It is of so little importance that we know of lawyers who have been officially advised by the state authorities that North Dakota has no inheritance tax.

¹Revised Codes 1905, chapter 10, Sections 8320 to 8339.

27.

SOUTH DAKOTA.

South Dakota's inheritance tax, adopted in 1905, was held unconstitutional in May, 1910.¹ The attorney general's application for re-hearing was granted and the matter is still pending.

The following taxes are imposed:²

Direct inheritances:

Inheritance to widow 1%

Exemption \$20,000.

Inheritances to father, mother, husband, child, brother, sister, wife or widow of son, husband of daughter, adopted or acknowledged child, lineal descendant 1%

Exemption \$5,000.

Collateral inheritances:

Inheritances to uncle, aunt, nephew, niece and their lineal descendants 2%

Exemption \$500.

All other inheritances:

Under \$10,000 4%

From 10,000 to \$20,000 6%

From 20,000 to 50,000 8%

Over 50,000 10%

Exemption \$100.

The exemptions apply to individual shares, not to the estate as a whole.

A tax is not claimed on stock of South Dakota corporations owned by a non-resident and kept outside the state, though there is the usual provision holding the corporation responsible for the tax. It is not the practice to require an inventory of the estate of a non-resident.

There are no corporations of general investment importance organized under the laws of South Dakota.

¹McKenna's Estate, 126 N. W. 611.

²Session Laws 1905, chapter 54; Compiled Laws (1910) vol. 1, pp. 549-553.

28.

COLORADO.

Colorado enacted an inheritance tax in 1901,¹ using the Illinois statute of 1895 as a model. It was radically amended in 1909.

The following taxes are imposed:²

Direct inheritances, including inheritances to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted, or acknowledged child, lineal descendant,	
Under \$10,000	exempt
Excess over \$10,000	2%
Collateral inheritances,	
Inheritances to uncle, aunt, nephew, niece and their lineal descendants	
	3%
Exemption \$500. ³	
All other inheritances,	
Under \$10,000	3%
From 10,000 to \$20,000	4%
“ 20,000 to 50,000	5%
“ 50,000 to 500,000	6%
Over 500,000	10%
Exemption \$500.	

The exemptions apply to individual shares and not to the estate as a whole.⁴

Colorado taxes stock in a Colorado corporation owned by a non-resident. It is only within the past year that such property has been taxed to any appreciable extent. The state is now deriving considerable revenue from this source.

Any person or corporation must notify the attorney general before delivering or transferring securities of a non-resident, and must see that the tax is paid. A non-resident's estate must

¹For constitutionality see Estate of Magnes, 32 Col. 527.

²Colorado R. S. of 1908, Sections 5551 to 5571, as amended by Session Laws 1909, chap. 193.

³The statute is not clear as to this exemption.

⁴People v. Koenig, 37 Colorado, 33.

make an affidavit as to its property before consent will be given to the transfer of securities.

Among the more prominent companies organized under the laws of Colorado are:

Colorado Fuel & Iron
 Colorado & Southern
 Denver & Rio Grande (also Utah)
 Wells-Fargo & Co.

29.

UTAH.

Utah since 1901 has taxed all inheritances at the uniform rate of 5% on the excess of the entire estate over \$10,000.¹

The state of Utah has officially notified the state of Connecticut that it does not tax stock of Utah corporations owned by non-residents if the stock is kept outside the state; but, nevertheless, the state of Utah is collecting the tax. The E. H. Harriman estate paid Utah \$798,546 in March, 1911, as an inheritance tax on its Union Pacific stock.

The inheritance tax has been producing about \$40,000 a year.

Among the more prominent companies organized under the laws of Utah are:

Central Pacific
Denver & Rio Grande (also Col.)
San Pedro, Los Angeles & Salt Lake
Union Pacific

¹Compiled Laws of Utah (1907), Title 36, Sections 1220 X to 1220 X§31.

30.

OREGON.

Oregon enacted its inheritance tax in 1903, using the Illinois statute of 1895 as a model. It has since been substantially amended.

The following taxes are imposed:¹

Direct inheritances, including inheritances to grandparent, parent, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or acknowledged child, lineal descendant 1%

Exemption, estates less than \$10,000 not taxed.
Tax is on excess over \$5000 to each person.

Collateral inheritances:
Inheritances to uncle, aunt, nephew, niece and their lineal descendants 2%

Exemption, estates less than \$5000 are not taxed.
Tax is on excess over \$2000 to each person.

All other inheritances:
Under \$10,000 3%
From 10,000 to \$20,000 4%
From 20,000 to 50,000 5%
Over 50,000 6%

Exemption—Tax is levied only when the inheritance exceeds \$500.

Stock in an Oregon corporation owned by a non-resident is not taxed unless the certificate is physically within the state, but stock in any corporation owned by a non-resident is taxable if the certificate is kept within the state. A corporation is responsible if it transfers any taxable securities for a non-resident before the tax is paid. Every estate is required to file a com-

¹General Laws Oregon (1903) pp. 49-65, Laws 1905, chap. 178; Laws 1909, chap. 15.

plete inventory. The receipts from this tax have been small, seldom exceeding \$10,000.

Among the more prominent companies organized under the laws of Oregon are:

Oregon & California
Oregon-Washington Railroad & Navigation
Oregon Short Line

31.

WYOMING.

Wyoming adopted an inheritance tax in 1903, which was modified in 1909.

The following taxes are imposed:¹

Direct inheritances, including inheritances to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or acknowledged child, lineal descendant,	
If entire estate is under \$10,000	exempt
On excess over \$10,000	2%
Collateral inheritances, including all other inheritances	5%
If entire estate is under \$500 it is not taxed.	

Wyoming is not now collecting a tax on stock of a Wyoming corporation owned by a non-resident if the stock certificate is kept outside the state, though it apparently was doing so in 1908, and the statute contains the usual provision holding the corporation responsible for the collection of the tax.

The receipts from this tax have been insignificant.

The best known company organized under the laws of Wyoming is Goldfield Consolidated.

¹Compiled Statutes (1910) Chapter 165.

32.

MICHIGAN.

Michigan's first inheritance tax law enacted in 1893 was held unconstitutional.¹ The present statute dates from 1899,² with important amendments in 1903, 1907 and 1909. An interesting feature is that in the case of direct inheritances, personal property only is taxed.

The following taxes are imposed:³

Direct inheritances, including inheritances to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child, lineal descendant	1%
Exemptions, real estate, personal property up to \$2,000.	
Collateral inheritances, including all other inheritances	5%
Exemption \$100.	

The exemptions apply to individual shares, not to the estate as a whole.

Michigan taxes stock of a Michigan corporation owned by a non-resident wherever held. It taxes registered bonds of a Michigan corporation as well. A person or corporation that transfers or delivers securities or assets of a non-resident before the tax is paid is responsible for the tax.

Michigan taxes stock or bonds of a foreign corporation owned by a non-resident if the certificates are kept in Michigan. It is the practice to require an inventory of the entire estate before permission is given to transfer securities of a Michigan

¹Chambe v. Judge, 100 Michigan, 112.

²For constitutionality see Union Trust Co. v. Judge, 125 Mich. 487.

³Public Acts 1899, No. 188; Public Acts 1903, No. 195; Public Acts 1907, No. 155, No. 238; Public Acts 1909, No. 44, No. 298.

corporation. This tax has been producing from \$200,000 to \$300,000 annually.

The application of the inheritance tax law of Michigan to securities owned by non-residents is of particular importance because of the large number of Michigan mining companies whose shares are listed on the Boston Stock Exchange and are extensively owned in New England.

Among the more prominent companies organized under the laws of Michigan are:

(Listed New York Stock Exchange)	
Chicago & Northwestern (also Ill. & Wis.)	
Detroit United	
Duluth, South Shore & Atlantic (also Wis.)	
Michigan Central	
Pere Marquette (also Ind.)	
Wabash (also Ill., Ind., Mo., and Ohio)	
(Boston Copper stocks)	
Adventure	Mayflower
Ahmeek	Michigan
Allouez	Mohawk
Algolah	New Arcadian
Arnold	North Lake
Atlantic	Ojibway
Calumet & Hecla	Old Colony Copper
Centennial	Osceola
Franklin	Quincy
Hancock	Seneca
Indiana	South Lake
Keweenaw	Superior
Lake	Tamarack
La Salle	Victoria
Laurium	Winona
Mass	Wolverine
	Wyandot

33.

WEST VIRGINIA.

West Virginia adopted a collateral inheritance tax in 1887 and extended it to direct inheritances in 1907. The following taxes are imposed:¹

Direct inheritances:

Inheritance to widow,	
Under \$15,000	exempt
Excess over 15,000 up to \$25,000 ...	1%
Excess over 25,000 up to 50,000 ...	1½%
Excess over 50,000 up to 100,000 ...	2%
Excess over 100,000 up to 500,000 ...	2½%
Excess over 500,000	3%

Inheritances to husband, child, lineal descendant,
lineal ancestor,

Under \$10,000	exempt
Excess over 10,000 up to \$25,000 ...	1%
Excess over 25,000 up to 50,000 ...	1½%
Excess over 50,000 up to 100,000 ...	2%
Excess over 100,000 up to 500,000 ...	2½%
Excess over 500,000	3%

Collateral inheritances,

Inheritances to brother or sister (not including
half blood),

Under \$25,000	3%
Excess over 25,000 up to \$50,000 ...	4½%
Excess over 50,000 up to 100,000 ...	6%
Excess over 100,000 up to 500,000 ...	7½%
Excess over 500,000	9%

All other inheritances,

Under \$25,000	5%
Excess over 25,000 up to \$50,000 ...	7½%
Excess over 50,000 up to 100,000 ...	10%
Excess over 100,000 up to 500,000 ...	12½%
Excess over 500,000	15%

¹West Virginia Code, chapter 33; Code Supplement (1909) ch. 33; Acts 1907, ch. 55; Acts 1909, ch. 63.

The exemptions apply to the individual shares, not to the estate as a whole.

As to the position of stocks in a West Virginia corporation owned by a non-resident, the tax commissioner says:

“The legislature of 1909 attempted to pass a law whereby such inheritance tax could be collected on stock in West Virginia corporations owned by deceased non-residents, but so far no taxes have been collected under this statute. The collection of the same has been resisted with a claim that the statute does not fix a tax on such stock.”

The statute contains a retaliative provision designed to reduce double taxation of non-resident securities similar to that in Connecticut, though not limited to registered bonds. It provides that the state shall tax stock and bonds of a West Virginia corporation kept outside the state if owned by residents of states which so tax stocks and bonds of their own corporations if owned by West Virginia residents.

The following property of all non-residents is specifically made taxable: all real estate and tangible property including money on deposit within the state; all intangible personal property including bonds, securities, shares of stock and choses in action. the evidence of ownership of which is actually within the state,

Double taxation of personal property belonging to a resident of the state but kept outside the state is avoided by a provision similar to that in Massachusetts, that if such property has been taxed in other states West Virginia will not tax it, unless the outside tax is less than the West Virginia tax, and then West Virginia collects only the difference.

A corporation is responsible for the tax if it transfers securities before the tax is paid if it had reasonable cause to know that the property was subject to the tax. It is not the practice to require an inventory of the estate of a non-resident.

Among the more prominent companies organized under the laws of West Virginia are:

Kanawha & Michigan (Also Ohio)
U. S. Industrial Alcohol
United Verde

34.

KENTUCKY.

Kentucky adopted a collateral inheritance tax in 1906.¹

Inheritances to father, mother, husband, wife, lawful issue, wife or widow of son, husband of daughter, adopted child, lineal descendant are exempt.

All other inheritances are taxed uniformly 5%, with an exemption of \$500 which applies to each individual share.

We are informed that the attorney general has ruled that stock of a Kentucky corporation owned by a deceased non-resident is subject to the tax. Kentucky is not, however, included in the Connecticut list of states that are taxing such stock held outside the state. Kentucky claims a tax on stock owned by a non-resident in a foreign corporation which owns property in Kentucky if the proportionate value of the Kentucky property can be ascertained.

The statute provides that when a foreign executor assigns or transfers any stocks or loans in the state which are liable to the tax, the corporation which permits such transfer shall be liable for the tax if it is not paid. Under this the state claims that a bank is responsible for the tax if it pays over a deposit of a non-resident. The tax authorities in this state seem to be particularly energetic in their claims. In one case the tax authorities sought to levy a tax on an Ohio estate which had no Kentucky property of any sort, simply on the ground that the executor was a resident of Kentucky; but the Court prevented this.²

¹Acts of 1906, chapter 22, article 19.

²Kentucky v. Peebles, 134 Kentucky, 121.

It is not the practice to require an inventory of the estate of a non-resident.

Among the more prominent companies organized under the laws of Kentucky are:

Cumberland Tel. & Tel.
Louisville & Nashville
Southern Pacific Co.

35.

NEW JERSEY.

TAXES COLLATERAL INHERITANCES—A TRADE WITH INFORMERS.

New Jersey has had a collateral inheritance tax since 1892. There have been various revisions, the last one in 1909. Collateral inheritances only are taxed, at the uniform rate of 5%, with an exemption of \$500 which applies to individual shares, not to the estate as a whole. Inheritances not taxed are those to father, mother, husband, wife, child, lineal descendant, brother, sister, wife or widow of son, husband of daughter.¹

In 1908 the Court of Appeals of New Jersey decided that under the law of 1894 stock in a New Jersey corporation belonging to a testator domiciled in a foreign country was not taxable.²

Under the present law New Jersey is taxing stock in a New Jersey corporation owned by a non-resident.³ A corporation which transfers such stock without permission from the comptroller is responsible for the tax and subject to a penalty as well.

If the entire estate of a non-resident passes to exempt heirs, the executor or administrator must file with the comptroller a copy of the will, if any, and an affidavit setting forth the names and relationship of the beneficiaries, whereupon a waiver will be issued permitting any New Jersey stock to be transferred.

If any portion of a non-resident's estate goes to other than exempt heirs, it is necessary to file in addition a complete inventory of the estate. In such a case the tax on the portion of the

¹Laws of 1909, chapter 228; Laws of 1910, chapter 28.

²Neilson v. Russell, 76 N. J. L. 655; 19 L. R. A. N. S., 887 and Note.

³See Dixon v. Russell, 78 N. J. L. 296, reversed in 76 Atl. 982.

estate in New Jersey is that proportion of the tax which the estate would have had to pay if the deceased had been a resident of New Jersey which the New Jersey portion of the estate bears to the entire estate.

The comptroller is authorized to make an arrangement to pay a percentage of the tax that may be collected to any person giving information about estates of residents that have not taken out administration within one year after the date of death, and estates of non-residents that have any property taxable in the state if the tax is not paid within three months after the death. We know of no other state which has entered into such a partnership with informers.

The inheritance tax has usually produced something over \$200,000 a year.

An acquaintance with the inheritance tax laws of New Jersey is of the greatest importance to investors because of the very large number of corporations organized under the laws of that state. Among the more prominent are:

Allis-Chalmers	Int. Silver
Amalgamated	Int. Smelting
Am. Beet Sugar	Int. Steam Pump
Am. Brake & Foundry	Isle Royale
Am. Can	Kansas City Ry. & Lt.
Am. Car & Foundry	Lake Superior Corp.
Am. Cement	Library Bureau
Am. Cotton Oil	Minn. Gen. Electric
Am. Hide & Leather	Natl. Biscuit
Am. Ice	Natl. Carbon
Am. Linseed Oil	Natl. Enam. & St.
Am. Malt	Natl. Lead
Am. Radiator	N. Y. Air Brake
Am. Sewer Pipe	N. Y. Susq. & West. (Also Pa.)
Am. Shipbuilding	Niles-Bement-Pond
Am. Smelting	North American Co.
Am. Snuff	Otis Elevator
Am. Soda Fountain	Pacific Coast
Am. Steel Foundries	Pittsburg Coal
Am. Sugar	Pressed Steel Car

Am. Tobacco	Quaker Oats
Am. Type Founders	Ry. Steel Spring
Am. Woolen	Repub. I. & S.
Am. Writing Paper	Rock Island Co.
Butte Coalition	St. Mary's Min. Land
Central Leather	Sloss-Sheffield
Cent. R. R. of N. J.	Standard Oil
Chic. Junct. R. R. & Un. St. Y.	Tennessee Copper
Chic. Pneumatic Tool	Twin City R. T.
Chic. Subway	Union Bag & Paper
Copper Range	United Fruit
Corn Products	United Shoe Machinery
Crucible Steel	U. S. C. I. Pipe
Distillers Sec.	U. S. Red. & Rfg.
Dupont Powder	U. S. Realty
Electric Storage Battery	U. S. Rubber
Gen. Asphalt	U. S. Steel
Havana Elec.	Utah
Heywood Bros. & Wakefield	Utah Cons.
Ingersoll Rand	Va.-Car. Chemical
Int. Harvester	Vulcan Detinning
Int. Mer. Marine	Western Tel.

LOUISIANA.

EXEMPTS PROPERTY THAT HAS BORNE ITS SHARE OF TAXATION—FORMERLY DISCRIMINATED AGAINST ALIENS.

Three states, Louisiana, Iowa and Washington, have at some time discriminated severely against non-resident aliens. The law has been repealed in Louisiana, practically nullified by a decision of the State Supreme Court in Washington, but still stands in Iowa.

Louisiana was the second state to tax inheritances. This was in the form of a tax of 10% imposed on estates passing to non-resident aliens, which was enacted in 1828.¹ This remained in force until 1877. It was revived in 1894 and extinguished by the new Constitution of 1898.

Its constitutionality was sustained in the Supreme Court of the United States which held that as a state has the power to forbid an alien to take any property whatever situated within its limits, it may impose any tax it chooses as a condition to allowing an alien to succeed to property.² The Supreme Court of the United States also held that the statute did not conflict with a treaty with Wurtemberg which had evidently been intended to secure equal treatment for aliens and residents.³ Yet the Louisiana Supreme Court decided that the statute conflicted with a similar treaty with France and so could not apply to French citizens.⁴

The Constitution of 1898 authorizes a direct inheritance

¹Acts 1828, No. 95, §§ 1, 2.

²Mager v. Grima, 8 How. 490.

³Frederickson v. Louisiana, 23 How. 445.

⁴Succession of Dufour, 10 La. An. 391.

tax of not over 3% with a minimum exemption of \$10,000, and a collateral inheritance tax of not over 10%.¹

The next article of the Constitution is as follows:

“The tax provided for in the preceding article shall not be enforced when the property donated or inherited shall have borne its just proportion of taxes prior to the time of such donation or inheritance.”² It is a stock argument in defence of an inheritance tax that it reaches much property that has escaped taxation during the owner’s lifetime, without considering that it equally reaches property that has not escaped. Louisiana by exempting property that has borne its proper burden is the only state in the country that is honest in this respect.³

The present law was adopted in 1904 and modified in 1906. The following taxes are imposed:⁴

Direct inheritances, including those to direct descendants and direct ascendants, 2%.

Exemption \$10,000.

Collateral inheritances, including collateral relations and strangers, 5%.

No exemption.

The exemption applies to the individual shares, not to the estate as a whole.

We are informed that Louisiana is taxing stock of a Louisiana corporation owned by a non-resident. The statute provides that no bank having money or securities shall turn them over, and no corporation, the stock or registered bonds of which are owned by the deceased, shall deliver or transfer the same to any heir until the tax is paid. Louisiana is not included, however, in the Connecticut list of states that are taxing stock or bonds

²Louisiana Constitution, Article 236.

¹Louisiana Constitution, Article 235.

³But see succession of Kohn, 115 La. 71.

⁴Acts 1904, No. 45; Acts 1906, No. 109.

owned by non-residents. This tax has been producing from \$100,000 to \$200,000 a year.

Among the more prominent companies organized under the laws of Louisiana are:

Louisiana & Northwest
Louisiana Ry. & Navigation
Louisiana Western
Morgan's La. & Tex. R. R. & S. S. Co.
New Orleans Great Northern
Opelousas, Gulf & Northeastern

37.

IOWA.

MORE DISCRIMINATION AGAINST THE NON-RESIDENT ALIEN.

Iowa adopted a collateral inheritance tax in 1896. Inheritances to father, mother, husband, wife, lineal descendant, adopted child, step child, lineal descendant of adopted child or step child are exempt.

The following taxes are imposed:¹

Collateral inheritances,	
Inheritances to other relatives and strangers	
except non-resident aliens	5%
Exemption \$1,000.	
Inheritances to brothers or sisters who are non-	
resident aliens	10%
Inheritances to more distant relatives or strangers	
who are non-resident aliens	20%

The exemption applies to the estate as a whole rather than to the individual shares.² The validity of this discriminatory tax against non-resident aliens has not been passed upon by the courts, but it would be very surprising if it should not be held that it is in violation of most of the present treaties with the important foreign countries.

Iowa taxes stock of an Iowa corporation owned by a non-resident,³ and the corporation is held responsible for the tax. Iowa also claims a tax on the stock of a non-resident in a foreign corporation which owns property in Iowa. Safe deposit companies and kindred institutions are made liable for the tax unless they notify the state treasurer before delivering over securities

¹Code of 1897, also Code Supplement 1907, Title 7, chapter 4; Acts 33 G. A. 1909, chapter 92.
²Herriott v. Bacon, 110 Iowa, 342.
³Estate of Culver, 123 N. W. 743.

to the representative of an estate. This tax has been producing between \$150,000 and \$200,000 annually.

Among the more prominent companies organized under the laws of Iowa are:

Chic., Rock Island & Pac. R. R.
Des Moines & Ft. Dodge

38.

WASHINGTON.

Washington adopted an inheritance tax in 1901¹ with important amendments in 1905 and 1907.

The following taxes are imposed:²

Direct inheritances, including inheritances to father, mother, husband, wife, lineal descendant, adopted child, lineal descendant of adopted child,	
Under \$10,000	exempt
Excess over 10,000	1%
Collateral inheritances,	
Inheritances to collateral heirs to and including the third degree of relationship,	
Under \$50,000	3%
Excess over 50,000 up to \$100,000 ..	4½%
Excess over 100,000	6%
Inheritances to collateral heirs beyond the third degree, or strangers,	
Under \$50,000	6%
Excess over 50,000 up to \$100,000 ..	9%
Excess over 100,000	12%
Inheritances to collateral relatives or strangers who are aliens, not residing in the United States	
	25%

The exemption under direct inheritances applies to the estate as a whole, not to individual shares, and if the Washington portion of the estate of a non-resident is less than this amount, the estate is not taxed.

The Supreme Court of the state of Washington has decided that the 25% tax on inheritances to non-resident aliens violates the treaty with Norway and Sweden.³ There are similar treaties with nearly all other important countries. The tax com-

¹For constitutionality see *State v. Clark*, 30 Wash. 439.

²Revenue Laws of Washington, 1907, §§204 to 221; Rem. & Ball. Code (1910), Title 76, chap. 7.

³*Estate of Peder G. Stixrud*, 58 Wash. 339.

mission is no longer attempting to collect such a tax, though the law has not actually been repealed.

Washington taxes stock of a Washington corporation owned by a non-resident. A corporation that transfers stock or a safe deposit company that delivers over securities without notifying the state treasurer is responsible for the tax.

Washington has not hitherto made any claim for inheritance taxes where a deceased non-resident owns stock in a foreign corporation owning property within the state of Washington, but the tax commission proposes to undertake the collection of such a tax in the near future. It is not the practice to require an inventory of the entire estate before permitting the corporation to transfer stock owned by a deceased non-resident.

Among the more important companies organized under the laws of the state of Washington are:

Chic., Milwaukee & Puget Sound
Pacific Coast Power
Seattle Electric

NOTE.—The 25% non-resident alien clause was repealed at the 1911 session.

CHAPTER VIII.

A MOVEMENT FOR A UNIFORM INHERITANCE TAX LAW.

The demand for a uniform inheritance tax law found expression in the report of a committee on the subject made to the Fourth International Tax Conference held at Milwaukee, Wisconsin, in the summer of 1910. Thirty-five states, two Canadian provinces and sixteen universities were represented by officially appointed delegates.

At the first Conference in 1907 the following resolution had been adopted.

WHEREAS, the principles of international and interstate comity require that the same property should not be taxed by two jurisdictions at the same time, and the laws for taxation of the transfer of property at death commonly transgresses these principles, be it

RESOLVED, that succession and inheritance tax laws should be so amended that the same property shall not be taxed by two jurisdictions at the death of the owner.

At the second conference in 1908 a committee was appointed to prepare a model bill which would accomplish this result. This committee included:

Hon. William H. Corbin, State Tax Commissioner of Connecticut.

Prof. Charles J. Bullock, Harvard University.

Hon. Lawson Purdy, President of the Dept. of Taxes, New York City.

Mr. A. C. Pleydell, Secretary, New York Tax Reform Association.

Mr. E. L. Heydecker, Asst. Tax Commissioner, New York City.

Prof. Joseph H. Underwood, University of Montana.

Prof. S. S. Huebner, University of Pennsylvania.

The committee aimed to produce a bill imposing a reasonable tax which would provide a fair revenue and also a tax definitely fixed and easily computed. The tax proposed is graded as to relationship and progressive as to the amount of the inheritance, and is based on the value of each inheritance, not on the total value of the estate. It avoids double taxation of securities by proposing that they should be taxed only at the residence of the owner.

“Tangible property” is defined to mean corporeal property such as real estate and goods, wares and merchandise. “Intangible property” is defined to mean incorporeal property, including money, deposits in bank, shares of stock, bonds, notes, credits, evidences of an interest in property and evidences of debt.

The proposed law then provides that a resident shall pay an inheritance tax on all his intangible property and on his tangible property situated within the state, and that a non-resident shall pay an inheritance tax only on tangible property within the state.

The classification and rates proposed are as follows:

Direct inheritances, including those to father, mother, husband, wife, child, brother, sister, wife or widow of son, husband of daughter, adopted or mutually acknowledged child, lineal descendant,	
Under	\$2,500 (to each heir) . . . exempt
Excess over	2,500 up to \$25,000 1%
Excess over	25,000 up to 250,000 2%
Excess over	250,000 up to 1,000,000 3%
Excess over	1,000,000 4%

Collateral inheritances, including all other inheritances,

Under	\$500 (to each heir) . . .	exempt
Excess over	500 up to \$10,000	2%
Excess over	10,000 up to 25,000	3%
Excess over	25,000 up to 100,000	5%
Excess over	100,000 up to 1,000,000	10%
Excess over	1,000,000	15%

The conference recommended to every one of the states the adoption of such a bill. Whatever difference of opinion there may be as to the rates suggested, there certainly can be no sound excuse for not adopting the provisions that eliminate double taxation.

To obtain uniform legislation, concerted action throughout the country is necessary as it was, for example, in the adoption of the uniform "Negotiable Instruments Act." The power to impose an inheritance tax is shared by the states and the federal government independently so that federal legislation cannot accomplish uniformity.

Incidentally, the Tax Conference has taken a very decided position that the federal government should not exercise its power to levy an inheritance tax but should leave this tax to the states.

It will be interesting to see if the well-reasoned plan of this Conference, which included delegates appointed by the governors of 35 states, will have any effect in stopping the riot of double and triple taxation.

CHAPTER IX.

SOME MATTERS NOT TOUCHED UPON—THE POSITION OF TRUST CERTIFICATES—SOME EFFORTS TO AVOID DOUBLE TAXA- TION.

The purpose of these articles has been only to indicate to investors in a general way how their securities may be affected by inheritance tax laws, especially of states other than the ones in which they reside. For that reason many matters of considerable importance have not even been touched upon.

The position of bequests for religious, charitable or educational purposes has not been gone into. Such bequests are usually exempt from inheritance tax, though frequently the bequest is exempt only if the money is to be spent in the state.

No attempt has been made to deal with the complicated details involved in computing the inheritance tax where property is left in trust, or otherwise, to one person for life and then passes to some one else.

Nor has there been any attempt to go into questions of administrative details such as who determines the tax, who collects the tax and when it is due. There is usually some advantage in prompt payment and a penalty in the way of excessive interest if payment is delayed beyond a certain time.

From numerous inquiries that we have received it seems that there is some confusion as to the basis of the computation of the inheritance tax on securities. Many people have an idea that the tax is based on their par value. Such is not the case. The tax on all property is based upon its real or market value at the time of death.¹

¹Hooper v. Bradford, 178 Mass. 95.

There is much uncertainty as to the status of trust certificates like Great Northern Ore certificates. It has been noted that Massachusetts treats very similar organizations, such as Massachusetts Electric and Massachusetts Gas, as standing on the same footing with Massachusetts corporations, although they are not incorporated and their shares represent only a beneficial interest in property held by trustees. As to the status of Great Northern Ore certificates (it will be remembered that Great Northern Railway is a Minnesota corporation, the Chairman of the Minnesota Tax Commission says:

“Our courts have not yet passed upon the question whether the Great Northern Ore certificates are subject to the provisions of the inheritance tax law. Inasmuch as these certificates are merely evidences of indebtedness, payable upon certain contingencies, our attorney general has been unable to determine their situs for taxation and has not placed them in the category of ‘stocks.’ Whether any attempt will be made to do so in the future is very problematical.”

As has been noted, very few of the many questions that arise have been settled by the courts. Where a question has not been passed upon by the courts, it may be safely assumed that the tax authorities will construe it in such a way as to get a tax for the state and the biggest one possible. To this situation is due much of the irritation occasioned by the operation of inheritance tax laws. Though a state may make the most preposterous claims, it is often cheaper to pay than to fight, but there is gradually accumulating an amount of righteous indignation that will certainly result in the substitution of at least common decency for highway robbery in the administration of inheritance tax laws.

There have been some interesting efforts to meet the injustice of these laws. An expedient that is finding increasing

favor with investors is to keep their stock certificates of foreign corporations in the name of their banker or broker. This seems not only an effective, but a square and legitimate method of preventing the outrage of double taxation. The only possible pretext that a state has for levying an inheritance tax on stock of a domestic corporation, owned by a non-resident, is that ordinarily it is necessary to resort to the protection of the laws of the state to transfer the securities, but if securities are held in such a way that it is not necessary to transfer them in settling an estate, the state of incorporation certainly has no moral or legal right to a transfer tax.

A simple method of avoiding the payment of a collateral inheritance tax in a state which does not tax direct inheritances, is found in an Iowa case in which the collateral legatees and others interested in the will, all united in renouncing the provisions of the will and agreeing that the property might be distributed as in the case of intestacy. The court upheld their right to do this, with the result that the property passed entirely to direct heirs and the state got no tax. Though it was fairly evident that there was some sort of an understanding that the collateral legatees should not suffer by their renunciation, the effect of such an understanding was not passed upon by the court.¹

Other people have tried incorporating themselves into a holding company. To a man holding securities in corporations of numerous states, this plan has much to commend it. On his death his estate consists simply of the shares of the holding company in whose treasury are held his other securities. In a Minnesota case a man incorporated himself, turned over all his property to the corporation, issued the stock to his family in the proportions in which he wished them to share his property on his death, and then had the property leased by the corporation

¹In re Stone, 132 Ia. 136.

back to him for his life. This family did not pay any inheritance tax.¹

Such devices are, however, not common, and only worth while for large estates. For the estate of ordinary size inheritance taxation is frequently not taxation, but legalized or "officialized" robbery.

We have spoken of double and triple taxation. If a man lives in one state and has stock in a corporation organized in another state, which does all its business in a third state, and keeps his stock in a safe deposit box in a fourth state, his estate may be obliged to pay a full inheritance tax four times. The first state may be any one of 38; the second state any one of at least 24, the third state any one of nine and the fourth state any one of half a dozen.

¹State v. Probate Court, 102 Minn. 268.

CHAPTER X.

CANADA.

Corporations may be organized either under the laws of the Dominion or under the laws of the different Provinces. The Provinces have the power to incorporate companies, and these companies have power to do business anywhere they wish. Apparently there is no difference as far as succession duties go whether the companies are incorporated under the laws of a Province or under the laws of the Dominion.

The Dominion government collects no tax but the Provinces do. The local law does not allow transfers of stock without the payment of succession duties to the Province in which the registry office of the company is located. The fact that the companies are incorporated by the Dominion government apparently makes no difference. This might raise an important constitutional question as to whether or not the Provinces have power to tax such transfers, but the courts have held that the Provinces have the power to impose a license fee on a company incorporated by the Dominion doing business within the separate Provinces, so on the same principle, it would seem that the taxation would be held constitutional.

An American estate owning stock of Canadian Pacific, which is incorporated by the Dominion government, would have to pay succession duties to the Province of Quebec, where there is a registry office; that is, if the stock was on the Quebec registry. Canadian Pacific also has a registry in London, and if the stock was on the London registry, this, of course, would not apply.

A resident of Montreal who owns shares or bonds of an American railroad would pay an inheritance tax to the Province of Quebec in addition to what he might have to pay in the States.

There is an important case (*Lovitt v. The King*) which is to be argued in July, 1911, before the Privy Council. In this case a resident of Nova Scotia had money on deposit at the branch of the Bank of British North America in St. John, New Brunswick, which had issued a deposit receipt not restricted, however, to payment by that specific branch, and the bank had also branches in Nova Scotia. The question came up as to whether there would be a liability for a succession duty to New Brunswick as well as Nova Scotia. The New Brunswick Court held that New Brunswick could collect succession duties,¹ the Supreme Court of Canada, with two judges dissenting, held it could not.²

The following schedule of rates and exemptions is taken from the Report of the Inheritance Tax Law Committee at the International Tax Conference, 1910.

Province	Direct Inheritances		Collateral Inheritances	
	Rate	Exemption	Rate	Exemption
Alberta	1½- 5	\$25,000	5 -10	5,000
British Columbia.	1½- 5	25,000	5 -10	0
Manitoba	1 -10	4,000-25,000	1 -10	2,000- 7,000
New Brunswick...	1¼- 5	50,000	5 -10*	5,000-10,000
Nova Scotia	2½- 5	25,000	5 -10	5,000
Ontario	1 -10	50,000	1 -10	10,000
Prince Edward Is.	1½- 2½	10,000	2½- 7½	3,000
Quebec	1 - 8	5,000	5 -15†	0
Saskatchewan . . .	1½- 5	25,000	5 -10	5,000

*To persons residing out of Providence rate is doubled.

†To person residing out of the British Empire an additional 5%.

¹King v. Lovitt, 37 N. B. R. 558.

²King v. Lovitt, 43 S. C. R. 106.

The principal other Canadian cases are as follows:

Attorney General v. Newman, 1 O. L. R. (Ont.) 51.

In re McDonald, 9 B. C. R. 174.

Lambe v. Manuel, 1903, App. Cas. 68.

Woodworth v. Atty. Gen'l., 1908, App. Cas. 508.

Among the important companies organized under the laws of the Dominion of Canada are:

Canadian Pacific
Canadian Southern
Mexican Light & Power

Under laws of Provinces are:

Dominion Coal (Nova Scotia)
Dominion Iron & Steel (Nova Scotia)
Granby (British Columbia)
Montreal Lt. H. & P. (Quebec)
Montreal St. Ry. (Quebec)
Sao Paulo Tr. Lt. & P. (Ont.)

APPENDIX.

The following is an editorial from the Boston News Bureau of Feb. 18, 1911:

ROBBING HEN ROOSTS.

Radical legislatures have been running riot in taxing inheritances since Mr. Roosevelt in 1906 advocated the employment of a high progressive inheritance tax as a means of sequestering "swollen fortunes."

In theory an inheritance tax is said to be not a property tax but a tax on the right to transmit or succeed to property; a right which the state protects and therefore taxes. It is hard to find in this protection anything to justify a 25% rate.

A moderate tax, especially on collateral inheritances, is usually thought to be an inoffensive method of raising revenue. The apologists for the exorbitant progressive rates that have become so common urge that they will break up and return to the community the great fortunes that it is supposed have been acquired by illegal or extra-legal means. That is the argument of the demagogue and forgets that the tax is not limited to tainted fortunes.

Again it is said that property is reached that has been escaping taxation during the lifetime of the owner. But the property that has paid its full share of taxes is reached at the same time.

Most of the talk about property escaping taxation is pure buncombe. Property that escapes taxation is a rarity. Much property escapes double taxation in states, like Massachusetts, that have a personal property tax which is in effect nothing more than an income tax of 30% to 40% designed to be levied almost exclusively on the property of widows and orphans.

An inheritance tax is essentially a cowardly tax. The

state, like a great bully, takes away from the family a portion of its property at a time when it is most needed, and at the time when the property has lost the service of its natural protector.

There are few men with an income of \$10,000 a year who leave more than \$50,000 to their families. It is considered proper to seize a substantial part of this from the family that is trying to readjust itself to an income reduced to \$2500 a year or less.

Lloyd-George in England was at least honest when he described estates of deceased owners as convenient "hen roosts" to rob.

It has become common for states to levy inheritance taxes on the property of men who never set foot within the state and never owned a dollar's worth of property physically within the state, because under our methods of corporate organization a convenient "hen roost" is provided.

There used to be something said about "Taxation without Representation." The resentment against a tax that did not begin to be as unfair as the current inheritance taxes once found expression in a certain Tea Party.

Where is the line between a tax dodger and a patriot?

LIST OF CORPORATIONS.

The following is a list of some of the more prominent companies, showing the state in which they are incorporated, and the exchange where their securities are listed. Those marked * are not corporations, but joint stock companies or voluntary associations.

Name of Co.	Exchange	State where incorp. or organized
Acushnet Mills		Mass.
Adams Express	N. Y.	N. Y.*
Adventure	Boston	Mich.
Ahmeek	Boston Curb	Mich.
Algolah	Boston	Mich.
Allis-Chalmers	N. Y.	N. J.
Allouez	Boston	Mich.
Amalgamated Copper	Boston, N. Y.	N. J.
Am. Agricultural Chem.	Boston, N. Y.	Conn.
American Beet Sugar	N. Y.	N. J.
American Brake & Fy	N. Y.	N. J.
American Brass		Conn.
American Can	N. Y., Chic.	N. J.
American Car & Fy.	N. Y.	N. J.
American Cement		N. J.
American Cotton Oil	Boston, N. Y.	N. J.
American Express	N. Y.	N. Y.*
American Glue		Mass.
American Hide & Leather ..	N. Y.	N. J.
American Ice Securities	N. Y.	N. J.
American Light & Traction	N. Y.	N. J.
American Linen		Mass.
American Linseed	N. Y.	N. J.
American Locomotive	N. Y.	N. Y.
American Malt	N. Y.	N. J.
American Manufacturing ..		Mass.
American Pneumatic Ser. ..	Boston	Del.
American Radiator	Chic.	N. J.
American Railways		N. J.
American Screw		R. I.
American Sewer Pipe	Pitts. & Clev.	N. J.
American Shipbuilding	Chic.	N. J.
American Silk		N. Y.
American Smelters Sec.	N. Y.	N. J.

Name of Co.	Exchange	State where incorp. or organized
American Smelt & Ref.	N. Y.	N. J.
American Snuff	N. Y.	N. J.
American Soda Fountain ..		N. J.
American Steel Foundries ..	N. Y.	N. J.
American Sugar	Boston, N. Y.	N. J.
American Tel. & Tel.	Boston, N. Y.	
	Chic. Phila.	N. Y.
American Thread		N. J.
American Tobacco	N. Y.	N. J.
American Typefounders	Chic.	N. J.
American Woolen	Boston, N. Y.	N. J.
American Writing Paper ...	N. Y.	N. J.
American Zinc	Boston	Me.
Amoskeag Mfg.		N. H.
Anaconda Copper	Boston, N. Y.	Mont.
Androscoggin Mills.		Me.
Ann Arbor	N. Y.	Mich.
Arizona Commercial.	Boston	Me.
Arkansas Midland		Ark.
Arkansas Southwestern		Ark.
Arkwright Mills		Mass.
Arlington Mills		Mass.
Armour and Co.		Ill.
Arnold	Boston	Mich.
Associated Merchants	N. Y.	Conn.
Associated Oil	Los. Ang.	Cal.
Atchison, Top. & S. F.	Boston, N. Y.	Kan.
Atlantic Coast Line	N. Y., Balt.	Va.
Atl. Gulf & W. Indies	Boston	Me.
Atlantic Mills		R. I.
Atlantic Mining	Boston	Mich.
Atlas Portland Cement		Pa.
Baker Co. (Walter)		Mass.
Baltimore & Ohio	N. Y.	Md., Va.
Bangor & Aroostook		Me.
Barnaby Mfg.		Mass.
Barnard Mfg.		Mass.
Bates Mfg.		Me.
Batopilas Mfg.	Boston, N. Y.	N. Y.
Berkshire Mfg.		Mass.
Bethlehem Steel	N. Y.	N. J.
Bigelow Carpet		Mass.
B'mgh'm Ry. Lt. & Power .		Ala.
Bonanza	Boston	Colo.
Boott Mills		Mass.
Borden Mfg.		Mass.

Name of Co.	Exchange	States where incorp. or organized
Boston & Albany	Boston	Mass., N. Y.
Boston & Corbin	Boston	Me.
Boston & Lowell	Boston	Mass.
Boston & Maine	Boston	Mass. N.H. Me.
Boston & Northern	Boston	Mass.
Boston & Providence	Boston	Mass.
Boston Belting		Mass.
Boston Duck		Mass.
Boston Elevated	Boston	Mass.
Boston Revere B. & Lynn ..	Boston	Mass.
Boston Suburban	Boston	Mass.
Boston Wharf		Mass.
Boston Woven Hose		Mass.
Brill Co. (J. G.)	Phila.	Pa.
Brooklyn Rapid Transit ...	N. Y.	N. Y.
Brooklyn Union Gas.....	N. Y.	N. Y.
Buffalo, Rochester & Pitts.	N. Y.	N. Y., Pa.
Bush Terminal		N. Y.
Butler Mill.....		Mass.
Butte-Ballaklava	Boston	Ariz.
Butte Coalition	Boston	N. J.
Butterick Co.	N. Y.	N. Y.
Calumet & Arizona	Boston	Ariz.
Calumet & Hecla	Boston	Mich.
Cambria Steel	Phila.	Pa.
Canada Southern	N. Y.	Dom. of Canada
Canadian Pacific	N. Y.	Dom of Canada
Capital Traction	Wash.	Dist of Columbia
Centennial	Boston	Mich.
Central Coal & Coke	Phila. St. Louis	Mo.
Central of Georgia	N. Y.	Ga.
Central of New Jersey	N. Y., Phila.	N. J.
Central Leather	N. Y.	N. J.
Central Pacific		Utah
Central Vermont.....	Boston	Vt.
Central & So. Am. Tel.	N. Y.	N. Y.
Chapman Valve		Mass.
Chesapeake & Ohio.....	N. Y.	Va.
Chicago & Alton	N. Y.	Ill.
Chicago & Eastern Illinois ..	Boston	Ill.
Chicago & Northwestern ..	N. Y.	Ill., Wis., Mich.
Chicago, Bur. & Quincy....		Ill.
Chicago Great Western	N. Y.	Ill.
Chic. Jun. Rys. & Stk. Yds.	Boston	N. J.
Chicago, Mil. & St. Paul ...	N. Y.	Wis.
Chicago Pneumatic Tool ...	Chicago	N. J.

Name of Co.	Exchange	State where incorp. or organized
Chicago Railways	Chicago	Ill.
Chicago, R I & Pac R R Co.		Iowa
Chicago R I & Pac Ry Co. .		Ill. & Iowa
Chic., St. Paul Minn.&Om.	N. Y.	Wis.
Chicago Subway	Chicago	N. J.
Chicago Telephone	Chicago	Ill.
Chicopee Mfg.		Mass.
Cinn. Hamilton & Dayton. .		Ohio
Clev., Cinn. Chic., & St. L.	N. Y.	Ohio & Ind.
Colorado Fuel & Iron	N. Y.	Colo.
Colorado & Southern	N. Y., Boston	Colo.
Columbus & Hocking C & I	N. Y.	Ohio
Commonwealth-Edison . . .	Chicago	Ill.
Con. & Claremont (B & M)		N. H.
Con. & Montreal (B & M) .	Boston	N. H.
Con. & Portsm'th (B & M) .		N. H.
Conn & Pass. Riv. (B & M).	Boston	Vt.
Connecticut River (B. & M.)	Boston	Mass., N. H.
Connecticut Ry. & Light . .		Conn.
Consolidated Cotton Duck .		Del.
Consolidated Gas	N. Y.	N. Y.
Con. Gas Elec Lt & P (Balt)	Balt.	Md.
Consolidated Mercur.	N. Y.	N. J.
Consolidation Coal.	Balt. & St. Louis	Md.
Continental Mills		Me.
Copper Range Consolidated	Boston	N. J.
Corn Products	N. Y., Chicago	N. J.
Cornell Mills		Mass.
Cramp Shipbuilding	Phila.	Pa.
Crex Carpet	N. Y.	Del.
Crucible Steel	Pitts.	N. J.
Cuban American Sugar	N. Y.	N. J.
Cumberland Tel. & Tel.	Boston	Ky.
Daly-West	Boston	Colo.
Dartmouth Mfg.		Mass.
Davis Mills		Mass.
Delaware & Hudson	N. Y.	N. Y.
Delaware, Lack. & West.	N. Y.	Pa.
Denver & Rio Grande	N. Y.	Col. & Utah
Detroit United	N. Y., Cinn. Cle.	Mich.
Diamond Match	Chicago	Ill.
Distillers Securities.	N. Y.	N. J.
Dominion Coal	Montreal	Nova Scotia
Dominion Iron & Steel	Montreal	Nova Scotia
Draper Co.		Me.
Duluth So. Shore & Atlantic	N. Y.	Mich., Wis.

Name of Co.	Exchange	State where incorp. or organized
Duluth-Superior Traction	N. Y.	Conn.
Dupont Powder	N. Y., Chic.	N. J.
Dwight Mfg.		Mass.
East Boston Co.	Boston	Mass.
East Butte	Boston	Ariz.
Eastern Steamship	Boston	Me.
Eastman Kodak	Rochester	N. J.
Edison Co.	Boston	Mass.
Edwards Mfg.		Me.
Electric Storage Battery.	Phila.	N. J.
Elgin Watch	Chicago	Ill.
Elm River Copper	Boston	N. J.
Erie.	N. Y.	N. Y.
Essex Co.		Mass.
Everett Mills		Mass.
Fairbanks & Co.		Vt.
Federal Min. & Smelting	N. Y.	Del.
Fisher Mfg.		Mass.
Fitchburg Railroad.	Boston	Mass., N. H., Vt. & N. Y.
Flint Mills		Mass.
Fore River Shipbuilding		Mass.
Franklin Co.		Me.
Franklin Mining.	Boston	Mich.
Franklin & Tilton (B & M)		N. H.
Galveston Hous. Elec. Co.	Boston	Me.
General Asphalt	Phila.	N. J.
General Chemical.	N. Y.	N. Y.
General Electric.	Boston, N. Y.	N. Y.
General Motors	Chic., Clev.	N. J.
Giroux	Boston	Del.
Goldfield Consolidated.	N. Y., Los Ang.	Wyo.
Gorham Mfg.		R. I.
Gosnold Mills		Mass.
Granby.	Boston, N. Y.	Brit. Col.
Granite Mills		Mass.
Great Falls Mfg.		N. H.
Great Northern	N. Y.	Minn.
Great Northern Ore	N. Y.	Minn.*
Greene-Cananea.	Boston	Minn.
Grinnell Mfg.		Mass.
Hamilton Mfg.		Mass.
Hamilton Woolen		Mass.
Hancock.	Boston	Mich.
Hargraves Mills		Mass.
Harmony Mills		Mass.
Havana Electric	N. Y.	N. J.

Name of Co.	Exchange	State where incorp. or organized
Helvetia	Boston	Ariz.
Heywood Bros. & Wakefield		N. J.
Hill Mfg.		Me.
Hoeking Valley	N. Y.	Ohio
Hood Rubber		Mass.
Illinois Briek	Chicago	Ill.
Illinois Central	N. Y.	Ill.
Illinois Traction		Me.
Independent Brewing	Pitts.	Pa.
Indiana Lighting.....		Ind.
Indiana Mining	Boston	Mieh.
Ingersoll Rand	N. Y.	N. J.
Inspiration Copper	Boston	Me.
Interboro-Metropolitan ...	N. Y.	N. Y.
Interboro Rapid Transit ...	N. Y.	N. Y.
International & Great Nor .		Texas
International Button Hole .	Boston	Me.
International Harvester....	N. Y.	N. J.
International Mer. Marine .	N. Y.	N. J.
International Nielkel.....		N. J.
International Paper	N. Y., Boston	N. Y.
International Power	N. Y.	N. J.
International Silver		N. J.
International Smelt & Ref .	Boston	N. J.
International Steam Pump .	N. Y.	N. J.
International Traction		N. J.
Iowa Central	N. Y., Boston	Ill.
Island Creek Coal	Boston	Me.
Isle Royale Copper	Boston	N. J.
Jaeksonville Traction.....		Mass.
Jones & Laughlin Steel		Pa.
Kanawha & Miehigan		Ohio, W. Va.
Kansas City, Ft Scott&Mem	N. Y., Boston	Kan.
Kansas City, Mex. & Orient		Kan.
Kansas City Ry. & Light ..	Chicago	N. J.
Kansas City Southern	N. Y.	Mo.
Kerr Lake	Boston	N. Y.
Keweenaw	Boston	Mieh.
Laekawanna Steel.....		N. Y.
Laelede Gas	N. Y., St. Louis	Mo.
Lake Copper	Boston	Mieh.
Lake Erie & Western	N. Y.	Ill.
Lake Shore & Mieh. Sou. ...	N. Y.	Ill., Ohio, Mieh, Ind, Pa, N. Y.
Lake Superior Corp.	Phila.	N. J.
La Salle Copper.....	Boston	Mieh.

Name of Co.	Exchange	State where incorp. or organized
Lancaster Mills		Mass.
Lanett Cotton Mills		Ala.
Laurel Lake Mills		Mass.
Laurium Mining		Mich.
Lawrence Mfg.		Mass.
Lehigh Coal & Navigation	Phila.	Pa.
Lehigh Valley	N. Y., Phila.	Pa.
Long Island R. R.	N. Y.	N. Y.
Lorraine Mfg.		R. I.
Louisiana & Arkansas		Ark.
Louisville & Nashville	N. Y.	Ky.
Lowell Bleachery		Mass.
Luther Mfg.		Mass.
Lyman Mills		Mass.
Mackay Cos.	N. Y.	Mass.*
Maine Central	Boston	Me.
Manchester & Keene (B & M)		N. H.
Man. & Lawrence (B&M)	Boston	N. H.
Manhattan Elevated	N. Y.	N. Y.
Manomet Mills		Mass.
Manufacturers Lt. & Heat	Pitts.	Pa.
Mass Consolidated	Boston	Mich.
Massachusetts Cotton Mills		Mass.
Mass Cot. Mills in Georgia		Mass.
Mass. Electric	Boston	Mass.*
Mass. Gas	Boston	Mass.*
Maverick Mills		Mass.
Mayflower Mining	Boston	Mich.
McElwain Co., W. H		Mass.
Mergenthaler Linotype	Boston	N. Y.
Met. West Side Ry.	Chicago	Ill.
Mexican Lt. & Power	Montreal	Dom. of Canada
Mexican Tel. & Tel.	Boston	Me.
Mexico Cons.	Boston	Me.
Miami	Boston	Del.
Michigan Central	N. Y.	Mich.
Michigan Mining	Boston	Mich.
Michigan State Tel.	Chicago	Mich.
Middlesex Co.		Mass.
Minneapolis & St. Louis	N. Y.	Minn. Ia.
Minneapolis Gen. Electric	Boston	N. J.
Minn., St. Paul & S. S. M.	N. Y.	Min. Wis. & Mich.
Missouri, Kansas & Texas	N. Y.	Kan.
Missouri Pacific	N. Y.	Mo. Kan. Neb.
Mobile Electric		Ala.
Mohawk Mining	Boston	Mich.

Name of Co.	Exchange	State where incorp. or organized
Montreal Lt., Heat & Power	Montreal	Quebec
Montreal St. Ry.	Montreal	Quebec
Narragansett Mills		Mass.
Nashawena Mills		Mass.
Nashua Mfg.		N. H.
Nash. & Aet (B. & M.) . . .		N. H., Mass.
Nashua & Lowell (B.&M.) .		N. H., Mass.
Nash., Chat. & St. Louis . .	N. Y.	Tenn.
National Biscuit	N. Y.	N. J.
National Carbon	Chic., Boston	N. J.
National Enameling & Sta. .	N. Y., St. Louis	N. J.
National Fire Proofing	Pitts.	Pa.
National Lead	N. Y.	N. J.
National Railways of Mex. . .	N. Y.	Mex.
Naumkeag Steam Cotton . . .		Mass.
Nevada Consolidated	Boston, N. Y.	Me.
New Areadian	Boston	Mich.
New Central Coal		Md.
New England Cotton Yarn . .	Boston	Mass.
New England Navigation. . . .		Conn.
New England Tel. & Tel. . . .	Boston	N. Y.
New River Fuel.		W. Va.
New York Air Brake	N. Y.	N. J.
New York Central	N. Y.	N. Y.
N. Y., Chi. & St. Louis	N. Y.	N. Y., Ohio, Ind., Pa.
New York Doek	N. Y.	N. Y.
N. Y., N. H. & H.	N. Y., Boston	Conn., Mass., R. I.
N. Y., Ont. & Western.	N. Y.	N. Y.
N. Y. Susquehanna & West. .	Phila.	N. J., Pa.
New York Telephone		N. Y.
Newmarket Mfg.		Mass.
Nicholson File		R. I.
Niles-Bement-Pond		N. J.
Nipissing	Boston	Me.
Norfolk & Western	N. Y.	Va.
North American Co.	N. Y., St. Louis	N. J.
North Butte	Boston	Minn.
North Lake	Boston	Mich.
Northern Central	Phila., Balt.	Pa., Md.
Northern Ohio Lt. & Trae. . .	Clev., Cinn.	Ohio
Northern Pacific	N. Y.	Wis.
Northern R. R. (B.&M.) . . .	Boston	N. H.
Northern Securities		N. J.
Northern Texas Electric . . .	Boston	Me.
Ojibway	Boston	Mich.

Name of Co.	Exchange	State where incorp. or organized
Old Colony Copper	Boston	Mich.
Old Colony R. R.	Boston	Mass.
Old Dominion	Boston	Me.
Oregon & California		Ore.
Oregon Short Line		Ore.
Ore.-Wash. Railroad & Nav.		Ore.
Osceola	Boston	Mich.
Otis Elevator	Chicago	N. J.
Pacific Coast Co.	N. Y., Boston	N. J.
Pacific Gas & Electric		Cal.
Pacific Mail	N. Y.	N. Y.
Pacific Mills		Mass.
Pacific Telephone & Tel.	N. Y.	Cal.
Parker Mills		Mass.
Parrot Mining	Boston	Mont.
Pennsylvania	N. Y., Phila.	Pa.
Pennsylvania Coal & Coke		Pa.
Pennsylvania Steel	Phila.	N. J.
Peoples Gas	N. Y., Chicago	Ill.
Peoria & Eastern	N. Y.	Ill.
Pepperell Mfg.		Me.
Pere Marquette	N. Y.	Mich., Ind.
Philadelphia Co.	N. Y., Phila.	Pa.
Philadelphia Electric	Phila.	N. J.
Philadelphia Rapid Transit	Phila.	Pa.
Pierce Mfg.		Mass.
Pitts., Cin., Chic., & St. L.	N. Y., Phila.	Pa., W. Va, Ohio Ind., Ill.
Pittsburg Brewing	Pitts.	Pa.
Pittsburg Coal	N. Y.	N. J.
Pitts., Ft. Wayne & Chicago		Ohio, Ind., Ill., & Pa.
Pittsburg Plate Glass	Pitts.	Pa.
Plymouth Cordage		Mass.
Pocasset Mfg.		Mass.
Pope Mfg.		Conn.
Pressed Steel Car	N. Y.	N. J.
Pullman	N. Y., Bos., Chi.	Ill.
Quaker Oats		N. J.
Quicksilver Mining	N. Y.	N. Y.
Quincy Mining	Boston	Mich.
Railway Steel Spring	N. Y.	N. J.
Ray Consolidated	Boston	Me.
Reading	N. Y., Phila.	Pa.
Reece Button Hole	Boston	Me.
Reece Folding Macine	Boston	Me.
Renfrew Mfg.		Mass.

Name of Co.	Exchange	State where incorp. or organized
Republic Iron & Steel	N. Y.	N. J.
Revere Sugar		Me.
Rock Island Co.	N. Y.	N. J.
Rotary Ring	Boston	Del.
Rutland R. R.	Boston, N. Y.	Vt., N, Y.
Sagamore Mfg.		Mass.
St. Joseph & Grand Island..	N. Y.	Kan., Neb.
St. Louis & San Francisco ..	N. Y.	Mo.
St. Louis Southwestern	N. Y.	Mo.
St. Mary's Mineral Land ..	Boston	N. J.
S. Pedro, Los Ang. & Salt L.		Utah
Santa Fe Gold & Copper ...	Boston	N. J.
Sao Paulo T. L. & Power ..	Montreal	Ont.
Savannah Electric	Boston	Ga.
Scovill Mfg.		Conn.
Seaconnet Mills.		Mass.
Seaboard Air Line		Va.
Sears-Roebuck	N. Y., Chicago	N. Y.
Seneca Mining.		Mich.
Shannon Copper	Boston	Del.
Shattuck-Arizona	Boston	Minn.
Shaw Stocking.		Mass.
Shawinigan Water & Power.		Quebec
Singer Mfg		N. Y.
Slater Mills		Mass.
Sloss-Sheffield	N. Y.	N. J.
South Utah	Boston	Me.
Southern Pacific	N. Y.	Ky.
Southern Railway	N. Y., Balt.	Va.
Standard Cordage.		N. Y.
Standard Oil	N. Y. Curb	N. J.
Standard Screw		N. J.
Stevens Mfg.		Mass.
Submarine Signal		Me.
Sullivan County R. R.		N. H.
Suncook Mills		Mass.
Superior Copper	Boston	Mich.
Superior & Boston	Boston	Ariz.
Superior & Pittsburg	Boston	Minn.
Swift & Co.	Boston	Ill.
Tamarack	Boston	Mich.
Tecumseh Mills.		Mass.
Tennessee Central		Tenn.
Tennessee Coal, Iron & R. R.	N. Y.	Tenn.
Tennessee Copper	Boston, N. Y.	N. J.
Terre Haute, Ind. & East ..		Ind.

Name of Co.	Exchange	State where incorp. or organized
Terre Haute Trac. & Light		Ind.
Texas Central		Texas
Texas Co.	N. Y.	Texas
Texas Pac. Land Trust	N. Y.	Tex.*
Texas & Pacific	N. Y., Phila.	U. S.
Third Avenue	N. Y.	N. Y.
Thorndike Co.		Mass.
Toledo Ry. & Light	N. Y. Cinn. Clev.	Ohio
Tol. St. Louis & Western	N. Y.	Ind.
Tonopah Mining	Phila.	Del.
Torrington	Boston	Me.
Tremont&Suffolk Mills		Mass.
Twin City Rapid Transit	N. Y.	N. J.
Union Bag & Paper.	N. Y.	N. J.
Union Cotton Mfg		Mass.
Union Mills		Me.
Union Pacific	N. Y., Boston	Utah
Union Switch & Signal		Pa.
Union Traction (Phila.)	Phila.	Pa.
United Box Board.	Chicago	N. J.
United Cigar Mfgs.	N. Y.	N. Y.
United Dry Goods	N. Y.	Del.
United Fruit	Boston	N. J.
United Gas Improvement	Phila.	Pa.
United Railways Investment	N. Y., Phila.	N. J.
United Shoe Machinery	Boston	N. J.
U. S. Cast Iron Pipe	N. Y.	N. J.
U. S. Envelope		Me.
U. S. Express.	N. Y.	N. Y.*
U. S. Finishing		Conn.
U. S. Industrial Alcohol		W. Va.
U. S. Lt. & Heating	N. Y. Curb.	Me.
U. S. Realty & Improvement	N. Y.	N. J.
U. S. Red. & Ref.	N. Y.	N. J.
U. S. Rubber	N. Y. & Boston	N. J.
U. S. Smelt., Ref. & Mining	Boston	Me.
U. S. Steel	N. Y., Boston	N. J.
U. S. Worsted		Me.
United Verde		W. Va.
Utah Apex	Boston	Me.
Utah Consolidated	Boston	N. J.
Utah Copper	N. Y., Boston	N. J.
Vandalia		Ind., Ill.
Vermont Val. R. R. (B.&M.)		Vt.
Victoria Copper	Boston	Mich.
Virginia-Carolina Chemical	N. Y.	N. J.

Name of Co.	Exchange	State where incorp. or organized
Va. Iron Coal & Coke	N. Y.	Va.
Virginian Railway		Va.
Vulcan Detinning	N. Y.	N. J.
Wabash	N. Y.	Ill., Ind., Mich., Mo., Ohio
Wab.-Pitts Terminal		Pa., Ohio, W. Va.
Wamsutta Mills		Mass.
Washington Ry. & Elec.		District Col.
Wells-Fargo	N. Y.	Colo.
West End Street Ry.	Boston	Mass.
Western Maryland	N. Y.	Md.
Western Electric	Chicago	Ill.
Western N. Y. & Penn. Ry.	Phila.	Pa., N. Y.
Western Tel. & Tel.	Boston	N. J.
Western Union	N. Y.	N. Y.
Westinghouse Elec. & Mfg.	N. Y.	Pa.
Wheeling & Lake Erie	N. Y.	Ohio
Whitman Mills		Mass.
Wilton R. R.		N. H.
Winona	Boston	Mich.
Winthrop Mills		Me.
Wisconsin Central	N. Y. & Boston	Wis.
Wolverine	Boston	Mich.
Wyandot	Boston	Mich.
Yazoo & Miss. Valley		Miss.
York Mfg.		Me.

Companies marked * are not corporations, but joint stock companies or voluntary associations.

INDEX.

	Page
ALABAMA	26
ALIENS-NON-RESIDENT	106, 109, 111
ARIZONA	28
ARKANSAS	70
CALIFORNIA	81
CANADA	120
COLLATERAL INHERITANCES DEFINED	10
COLORADO	90
CONNECTICUT	63
CORPORATIONS, LIST OF	127
DELAWARE	35
DIRECT INHERITANCES DEFINED	10
DISTRICT OF COLUMBIA	27
DOUBLE TAXATION, ATTEMPTS TO AVOID	118
EXEMPTIONS, TABLE	14
FLORIDA	28
GENERAL RULES	21
GEORGIA	28
HAWAII	14
IDAHO	83
ILLINOIS	60
INDIANA	29
IOWA	109
KANSAS	74
KENTUCKY	101
LOUISIANA	106
MAINE	53
MARYLAND	34
MASSACHUSETTS	38
MICHIGAN	96
MINNESOTA	84
MISSISSIPPI	29
MISSOURI	37
MONTANA	86

NEBRASKA	76
NEVADA	29
NEW HAMPSHIRE	56
NEW JERSEY	103
NEW MEXICO	29
NEW YORK	44
NON-RESIDENTS, WHAT STATES TAX, TABLE	19
NORTH CAROLINA	67
NORTH DAKOTA	88
OHIO	36
OKLAHOMA	50
OREGON	93
PENNSYLVANIA	30
PORTO RICO	15
RATES OF TAX, TABLE	14
RHODE ISLAND	27
SOUTH CAROLINA	29
SOUTH DAKOTA	89
TABLES:	
EXEMPTIONS	14
RATES	14
STATES THAT TAX INHERITANCES	11
STATES THAT TAX FOREIGN CORPORATIONS OWNING PROPERTY	19
STATES THAT TAX NON-RESIDENT SECURITY HOLDERS	19
STATES THAT DO NOT TAX INHERITANCES	26
TENNESSEE	69
TEXAS	72
TRUST CERTIFICATES	117
UNIFORM LEGISLATION, PROPOSED	113
UNITED STATES	10
UTAH	92
VERMONT	58
VIRGINIA	33
WASHINGTON	111
WEST VIRGINIA	98
WISCONSIN	78
WYOMING	95

BOSTON NEWS BUREAU

Established 1887.

C. W. BARRON, Publisher.

The Boston News Bureau publishes prompt news bulletins covering the financial and investment field, averaging 100 daily, between 9:00 A. M. and 3:00 P. M. These bulletins are supplied to the bankers and brokers, banks and trust companies, large corporations and newspapers of Boston. The price of this service is six hundred dollars a year.

These news bulletins are substantially reproduced in the afternoon edition of the Boston News Bureau, a daily financial newspaper of eight pages. A second edition of twelve pages is published in the early evening (but bearing the next morning's date). This edition has a wide circulation throughout the United States and abroad. The subscription price for either edition of the paper is twelve dollars a year; for shorter periods at the rate of One Dollar per month.

In its endeavor to serve the investment interests of New England, the Boston News Bureau produces

a paper that is valuable to investors everywhere, for the investments of the country center in New England. The articles which make up this book are an indication of the sort of service the Boston News Bureau renders.

For subscribers to the paper, the Boston News Bureau is always glad to answer to the best of its ability any questions on financial and investment matters. Aside from whatever intelligence its staff may possess, it has at its command the carefully indexed accumulation of nearly twenty-five years of successful publication.

IN PREPARATION . . .

INHERITANCE TAXES

The Boston Book Company announces that an authoritative treatise on Inheritance Taxes is in preparation, to be published about Sept. 1, 1911. This work will contain all the statutes and all the decisions in every state, with tables, and a list of corporations. It will be the first complete treatise on the subject since 1895,

BY

ARTHUR W. BLAKEMORE

(Of the Boston Bar; author of Massachusetts Court Rules Annotated; The Abolition of Grade Crossings in Massachusetts; the article on Wills in "CYC," etc., etc.)

and

HUGH BANCROFT

(Of the Boston Bar; sometime District Attorney, Middlesex County, Massachusetts; and a director of the Boston News Bureau.)

Orders for this book may be sent to the Boston News Bureau, 25 Exchange Place, Boston, Mass.

90

UC SOUTHERN REGIONAL LIBRARY FACILITY



A 000 692 073 0

