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Inheritance Tax Law State of Colorado

EFFECTIVE MAY 16, 1933

DEPARTMENT OF LAW
PAUL P. PROSSER
Attorney General
DENVER



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DENVER, COLORADO
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State of Colorado
Inheritance Tax Law

An Act Passed by the Twenty-ninth
General Assembly

Effective May 16, 1933

DEPARTMENT OF LAW

PAUL P. PROSSER, ATTORNEY GENERAL
DENVER

GEORGE HETHERINGTON, Inheritance Tax Commissioner
and Assistant Attorney General



O. S. BRINKER, Deputy Commissioner
A. M. MORRIS, Deputy Commissioner

Printed by Authority of Inheritance Tax Department

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FOREWORD

(By O. S. Brinker, Deputy Inheritance Tax Commissioner)

In handing you this copy of the 1933 INHERITANCE TAX LAW of Colorado for your convenience and ready reference, we invite in this manner your attention to certain IMPORTANT CHANGES thereby made in the previously existing law, which was enacted in 1927.

This Act of 1933 went into effect May 16, 1933, and its rates and requirements apply only to estates of persons dying on or after that date; ALSO to estates and trusts now in the process of being determined and in which there has been no tax paid or distribution made. (Section 2, Subdivision 9.)

It is a re-enactment of the 1927 law with very important changes as hereinafter set out.

NON-RESIDENTS: Taxation of intangibles of non-residents. (Section 2, Subdivision 1-B (3).)

The progressive block system of rates is continued and no change in rates made except that the rates in Class A above \$150,000.00 have been increased; also in Class B above \$20,000.00.

LIFE INSURANCE: Section 2, Subdivision 4, remains as in the Act of 1927 but an IMPORTANT CHANGE is made by adding Subdivision 5 in which all proceeds of insurance policies in excess of \$75,000.00 are taxable.

Proceeds of LIFE INSURANCE in any form must be reported in the application for appraisalment and waiver.

SECTION 2, SUBDIVISION 9: This is a new subdivision pertaining to the exercise of POWER OF APPOINTMENT and such powers are taxable.

SECTION 3, SUBDIVISION 2: Gifts for charitable, educational and religious purposes are exempt from taxation

ONLY when they are LIMITED EXCLUSIVELY for use WITHIN the State of Colorado.

SECTION 3, SUBDIVISION 6 is a new subdivision enlarging on the taxability of contingent estates and takes the place of the same subdivision in the 1927 Act. Said Subdivision may be applied in conjunction with the provisions of Subdivision 7 of the 1933 Act.

SECTION 4: An error in Subdivision 2-A has been corrected as occurred in the 1927 Act. Subdivision 5 of this Section has been reduced to gross estates of \$250,000.00 and over. The last paragraph has been changed to read "as long as any Act of Congress * * * of any per centum of Federal Estate Tax."

Copy of the Federal Estate Tax return is required in all estates the gross value of which is \$250,000.00 and over.

SECTION 6, SUBDIVISION 3: County Judges are prohibited from accepting or allowing the final account of any executor, administrator or trustee, and from closing any estate until the State Treasurer's receipt for the tax or waiver fee is presented.

SECTION 6, SUBDIVISION 4: The middle of this section has been re-written to OBVIATE the necessity of PAYING A DOCKET fee in estates that are not undergoing administration upon the filing of the Inheritance Tax Commissioner's report, unless objections are filed and further proceedings had.

SECTION 6, SUBDIVISION 7: Changes have been made in this subdivision as to the transfer of securities or assets and also as to SAFE DEPOSIT BOXES to which your ATTENTION is especially called.

SECTION 6, SUBDIVISION 9: It is now necessary that the Inheritance Tax Commissioner shall issue a certificate which shall be countersigned by the Attorney General and filed with the Clerk of the Court having jurisdiction when he is satisfied that the transfer of the property of any deceased person is not liable for taxation.

EVERY ADMINISTRATOR, EXECUTOR OR TRUSTEE is required by Section 6, Subdivision 6, to file within three months after his appointment a sworn return showing all the property owned by the decedent at the date of his death, or conveyed by such decedent in contemplation of death; and failure to file such return in time results in increased fees and stricter interest requirements as provided in Section 5, Subdivision 2, and Section 6, Subdivision 9. **BLANK FORMS** for this return will be furnished by the Inheritance Tax Department on request.

Executors, administrators and trustees are also personally charged in Section 6, Subdivision 1, with the duty of paying the tax, and they are further enjoined not to settle or distribute an estate until the tax is paid.

BANKS, TRUST COMPANIES, SAFE DEPOSIT COMPANIES AND ALL CORPORATIONS, FOREIGN OR DOMESTIC, are required by Section 6, Subdivision 7, to obtain written consent of the Attorney General before transferring any securities or assets of an estate, including all securities and assets and safe deposit boxes held by the decedent jointly or with any other person; also **TRUST COMPANIES** are required to furnish the Attorney General with a copy of any trust indenture and assets covered by the same upon the death of any donor, grantor, vendor or maker.

If on account of successive deaths the same property is taxed twice within three years, a credit of the tax first paid is allowed on the second tax. (Section 3, Subdivision 4.)

Temporary payments on the tax are authorized to be made before the tax is finally fixed, in order to save discount and interest on the amount paid. (Section 5, Subdivision 3.)

Joint interests with right of survivorship are taxed to the extent of the proportionate value of the fractional interest of the deceased therein, without regard to his actual investment therein. (Section 2, Subdivision 3.)

The **INHERITANCE TAX** is due and payable at the death of the decedent under the provisions of Section 5. If the tax is paid within six months after the death, a **discount** of five

per cent is allowed; and if not paid within one year after the death, interest at the rate of ten per cent per annum from the **date of death** is added.

We are frequently called upon to furnish the amount of revenue collected under the Inheritance Tax transfer provisions and we are herewith presenting such amounts collected for the period beginning with the year 1921 and ending November 30, 1932:

Year	Inheritance Taxes Collected	Year	Inheritance Taxes Collected
1921	\$500,487.52	1926	\$ 876,008.95
1922	512,687.63	1927-28	1,554,093.08
1923	703,730.82	1929-30	2,064,986.20
1924	864,161.04	1931-32	1,226,276.26
1925	911,210.88		

Separate blank forms of application for appraisement and waiver in estates of resident and non-resident decedents are furnished by the Inheritance Tax Department. Address all inquiries and requests for such blanks to the Inheritance Tax Commissioner, 312 State Capitol.

May 17, 1933.

INHERITANCE TAX—STATE OF COLORADO
APPLICATION OF RATES TO VALUE OF INHERITANCE UNDER ACT OF 1933

Note: The rates in this table apply to value in excess of exemptions. The rates and exemptions apply to each beneficiary and not to the estate as a whole. This table does not include the additional rates on estates of the net value of over \$250,000 provided for in Section 4 of the Act of 1933.

CLASSES OF BENEFICIARIES	Exemptions	Above Exemption up to \$2,500	\$2,500 to \$5,000	\$5,000 to \$10,000	\$10,000 to \$15,000	\$15,000 to \$20,000	\$20,000 to \$25,000	\$25,000 to \$30,000	\$30,000 to \$40,000	\$40,000 to \$50,000	\$50,000 to \$75,000	\$75,000 to \$100,000	\$100,000 to \$150,000	\$150,000 to \$200,000	\$200,000 to \$250,000	\$250,000 to \$500,000	Above \$500,000
		Class A.—Father, mother, husband, wife, child, adopted child, any lineal descendant.	Widow \$20,000 All Others \$10,000					2%					4%	5%	7%		7½%		8%
Class B.—Wife or widow of son, husband or widower of daughter, grandparent, brother, sister, mutually acknowledged child.	\$2,000		3%		5%			7%			8%		9%			10%	
Class C.—Uncle, aunt, niece, nephew or lineal descendant of same.	None. No tax on \$500 or less	4%	5%	6%	7%	8%	9%	10%	11%				12%			13%	14%
Class D.—Strangers and all others not exempt.	None. No tax on \$500 or less	7%	8%	9%	10%	12%						14%					16%

EXAMPLES OF THE USE OF THE TABLES ON THE NEXT SUCCEEDING PAGE—A will gives to the widow an estate for life amounting to \$75,000 with remainder over to a son—using the age of the widow as 49 years. In column No. 3 opposite 49 in column No. 1 you will find the figures 11.90076, which is the present value of \$1.00 at 5% paid annually to a person 49 years of age. The Inheritance tax law designates 5% as the income rate. First multiply \$75,000 by 5%, which is \$3,750.00 the income for each year, then multiply \$3,750.00 by 11.90076, which is \$44,627.85, the value of the life interest to the widow. To find the remainder interest subtract \$44,627.85 life interest from \$75,000.00. A will gives to a wife an estate of \$40,000 in trust for ten years, she receiving the income during this period with the remainder to a son in fee. In column No. 4 opposite 10 in column No. 1 you will find the figures 7.721733, which is the present value of \$1.00 at 5% annually for a term of 10 years. The Inheritance Tax law designates 5% as the income rate. First multiply \$40,000 by 5%, which is \$2,000.00, the income for each year, then multiply \$2,000.00, by 7.721733, which is \$15,443.46, the value of this estate in trust for 10 years. To find his remainder interest subtract \$15,443.46 from \$40,000.00.

TABLE FOR COMPUTING LIFE ESTATES AND TERMS OF YEARS
FOR PURPOSE OF TAXATION

1	2	3	4	1	2	3	4
Age with columns No. 2 and No. 3, also number of years with column No. 4.	Expectancy of life. American experience table.	Annuity or present value of \$1@5% interest due the end of each year during the life of a person of specified age. American experience table.	Discount table. Present value of \$1@5% interest paid annually at the end of various years.	Age with columns No. 2 and No. 3, also number of years with column No. 4.	Expectancy of life. American experience table.	Annuity or present value of \$1@5% interest due the end of each year during the life of a person of specified age. American experience table.	Discount table. Present value of \$1@5% interest paid annually at the end of various years.
1	.....	.....	952381	51	20.20	11.41594	18.338974
2	.....	.....	1.859410	52	19.49	11.16361	18.418070
3	.....	.....	2.723248	53	18.79	10.90499	18.493400
4	.....	.....	3.545950	54	18.09	10.64036	18.565143
5	.....	.....	4.329476	55	17.40	10.37017	18.633469
6	.....	.....	5.075691	56	16.72	10.09472	18.698542
7	.....	.....	5.786372	57	16.05	9.81450	18.760516
8	.....	.....	6.463211	58	15.39	9.52988	18.819539
9	.....	.....	7.107820	59	14.74	9.24127	18.875751
10	48.72	16.50475	7.721733	60	14.10	8.94928	18.929287
11	48.09	16.46076	8.306412	61	13.47	8.65445	18.980273
12	47.45	16.41469	8.863249	62	12.86	8.35742	19.028831
13	46.80	16.36642	9.393570	63	12.26	8.05876	19.075077
14	46.16	16.31581	9.898638	64	11.67	7.75990	19.119121
15	45.51	16.26274	10.379655	65	11.10	7.45885	19.161067
16	44.85	16.20722	10.837767	66	10.54	7.15921	19.201016
17	44.19	16.14896	11.274064	67	10.00	6.86074	19.239063
18	43.53	16.08779	11.689585	68	9.47	6.56420	19.275298
19	42.87	16.02372	12.085319	69	8.97	6.27048	19.309807
20	42.20	15.95658	12.462208	70	8.48	5.98022	19.342673
21	41.53	15.88620	12.821150	71	8.00	5.69422	19.373974
22	40.85	15.81257	13.163000	72	7.55	5.41286	19.403785
23	40.17	15.73552	13.488571	73	7.21	5.13592	19.432176
24	39.49	15.65484	13.798639	74	6.68	4.86279	19.459215
25	38.81	15.57033	14.093942	75	6.27	4.59264	19.484967
26	38.12	15.48176	14.375183	76	5.88	4.32477	19.509492
27	37.43	15.38910	14.643031	77	5.49	4.05856	19.532849
28	36.73	15.29210	14.898125	78	5.11	3.79392	19.555094
29	36.03	15.19051	15.141071	79	4.75	3.53109	19.576220
30	35.33	15.08425	15.372448	80	4.39	3.27017	19.596457
31	34.63	14.97307	15.582807	81	4.05	3.01349	19.615673
32	33.92	14.85666	15.802673	82	3.71	2.76062	19.633974
33	33.21	14.73492	16.002546	83	3.39	2.51052	19.651404
34	32.50	14.60774	16.192901	84	3.08	2.26066	19.668004
35	31.78	14.47479	16.374191	85	2.77	2.00986	19.683813
36	31.07	14.33572	16.546848	86	2.47	1.76061	19.698869
37	30.35	14.19057	16.711284	87	2.18	1.51750	19.713208
38	29.63	14.03897	16.867889	88	1.91	1.28611	19.726865
39	28.90	13.88092	17.017037	89	1.66	1.06704	19.739871
40	28.18	13.71604	17.139083	90	1.42	.85453	19.752258
41	27.45	13.54430	17.294365	91	1.19	.64497	19.764055
42	26.72	13.36528	17.423205	92	.98	.44851	19.775290
43	25.99	13.17891	17.545909	93	.80	.28761	19.785990
44	25.27	12.98494	17.662770	94	.64	.13605	19.796181
45	24.54	12.78344	17.774067	95	.....	.....	19.805886
46	23.81	12.57414	17.880064	96	.....	.....	19.815129
47	23.08	12.35728	17.981013	97	.....	.....	19.823932
48	22.35	12.13275	18.077155	98	.....	.....	19.832316
49	21.63	11.90076	18.168719	99	.....	.....	19.840301
50	20.91	11.66175	18.255923	100	.....	.....	19.847905

Note. See preceding page for examples as to the use of the above table.

INHERITANCE TAX LAW

State of Colorado

CHAPTER 106, SESSION LAWS OF COLORADO, 1933

AN ACT

CONCERNING REVENUE AND IMPOSING A TAX UPON INHERITANCE AND SUCCESSION AND TO AMEND THE "INHERITANCE TAX ACT" OF APRIL 4, 1927, THE SAME BEING CHAPTER 114, SESSION LAWS OF COLORADO, 1927.

Be It Enacted by the General Assembly of the State of Colorado:

SECTION 1. Chapter 114, Session Laws of Colorado, 1927, is hereby amended to read as follows:

Section 1. Definitions.

Subdivision 1. This Act shall be known as the "Inheritances and Successions Tax Act." Title

Subdivision 2. The words "estate" and "property" as used in this Act shall be taken to mean the real and personal property or interest therein or income therefrom of the testator, intestate, grantor, bargainor, vendor, or donor, passing or transferred to individual legatees, devisees, heirs next of kin, grantees, donees, vendees or successors. Estate and property defined

Subdivision 3. The word "transfer" as used in this Act shall be taken to include the passing of property or any interest therein or income therefrom, in possession or enjoyment, present or future, or forgiveness of obligation owing to the transferor, by inheritance, descent, devise, succession, bequest, grant, deed, bargain, sale, gift in the manner herein described. Transfer defined

Subdivision 4. The word "decedent" as used in this Act shall include the testator, intestate, grantor, bargainor, vendor, or donor. Decedent defined

Subdivision 5. For any and all purposes of this Act and for the just imposition of the inheritance tax, every person shall be deemed to have died a resident and not a non-resident of the State of Colorado, if and when such person shall have dwelt or shall have lodged in this State during and for the greater part of any Residence of decedent

Section 1. Definitions.

period of twelve (12) consecutive months in the twenty-four (24) months next preceding his or her death; and also if and when by formal written instrument executed within one (1) year prior to his or her death or by last will he or she shall have declared himself or herself to be a resident or a citizen of this State, notwithstanding that from time to time during such twenty-four (24) months such person may have sojourned outside of this State and whether or not such person may or may not have voted or have been entitled to vote or have been assessed for taxes in this State; and also if and when such person shall have been a citizen of Colorado, sojourning outside of this State. The burden of proof in an inheritance tax proceeding shall be upon those claiming exemption by reason of the alleged non-residence of the deceased. The wife of any person who would be deemed a resident under this Section shall also be deemed a resident and her estate subject to the payment of an inheritance tax as herein provided, unless said wife has a domicile separate from him. Residence for the purposes of this Act shall be determined exclusively in the proceedings provided herein, and orders relating to residence previously entered in the probate proceedings shall not be conclusive for the purposes of this Act.

Section 2.—Transfers Taxable.

Property
taxable

Subdivision 1. A tax is hereby imposed, under the conditions and subject to the exemptions and limitations hereinafter prescribed, upon transfers, in trust or otherwise, of the following property, or any interest therein or income therefrom:

Transfer by a
resident

- a. When the transfer is from a resident of this State—
 - (1) Real property situated in this State—
 - (2) Tangible personal property, except such as has an actual situs without this State—
 - (3) All intangible personal property, where-soever the notes, bonds, stock certificates, or other evidence, if any, thereof, may be physically located, or the banks or other debtors may be located or domiciled.

Transfer by
non-resident

- b. When the transfer is from a non-resident of this State—

Section 2. Transfers Taxable.

- (1) Real property situated in this State—
- (2) Tangible personal property which has an actual situs in this State— Tangible
- (3) Intangibles that have acquired an actual or business situs in this State, provided no transfer or succession tax has been levied and paid on such transfer at the domicile of the decedent. Intangible

Subdivision 2. The transfers enumerated in Subdivision one of this Section shall be taxable if made:— Manner of transfer

- a. By will. By will
- b. By statutes regulating descent and distribution of property upon the death of the owner. By statutes
- c. In contemplation of death of the transferor; and any transfer of property made by a person within two (2) years prior to death, shall, unless shown to the contrary, be deemed to have been made in contemplation of death. In contemplation of death
- d. By gift or grant intended to take effect in possession or enjoyment at or after the death of the transferor. A transfer of property in respect of which the transferor reserves to himself a life income or interest shall be deemed to have been intended to take effect in possession or enjoyment at death; Provided, that if the transferor reserves to himself less than the entire income or interest, the transfer shall be deemed taxable hereunder only to the extent of a like proportion of the value of the property transferred. To take effect at or after death
- e. In payment of a claim against the estate of a deceased person arising from a contract made by him and payable by its terms at or after his death. In payment of claim
- f. If any transfer specified in paragraphs c, d, and e, of this Subdivision is made for a valuable consideration, so much thereof as is the equivalent in money value of the money value of the consideration received by the transferor shall not be taxable but the remaining portion shall be. For valuable consideration not taxable

Subdivision 3. Whenever property is held in the joint names of two or more persons as joint tenants or Property held in joint names

Section 2. Transfers Taxable.

tenants by the entirety or otherwise, or is deposited in banks or other institutions or depositaries in the joint names of two or more persons and payable to the survivor or survivors, upon the death of one of such persons, the right of the survivor or survivors to the immediate ownership or possession and enjoyment of such property shall be a taxable transfer and the tax shall be computed:

Tenancy by the entirety

a. If a tenancy by the entirety, as though one-half of the property belonged absolutely to the deceased tenant, and had been bequeathed or devised to the survivor or survivors by will, and

Other cases of joint ownership

b. In all other cases, as though a fractional part of the property, determined by dividing the value of the entire property by the number of persons in whose joint names it was held, belonged absolutely to the deceased person, and had been bequeathed or devised to the survivor or survivors by will.

Proceeds of insurance policies

Subdivision 4. Proceeds of insurance policies on the life of a decedent payable in such manner as to be subject to claims against his estate and to distribution as a part thereof shall be taxable.

Life insurance

Subdivision 5. The excess over the sum of Seventy-five Thousand (\$75,000.00) Dollars, when paid immediately, or the excess over the sum of Seventy-five Thousand (\$75,000.00) Dollars, of the computed value thereof if paid in installments of the net proceeds, of all Insurance Policies and contracts with Insurance Companies, payable either directly or through the medium of a trustee, to or for the use of the beneficiaries under policies of insurance or other contracts with Insurance Companies, taken out upon the life of the decedent, and with respect to which decedent had the right at the time of his death to change the beneficiary or beneficiaries thereof or to receive the surrender value thereof on request, shall be taxable. Said exemption of Seventy-five Thousand (\$75,000.00) Dollars shall be prorated among the beneficiaries of such policies in proportion to the proceeds payable to them respectively and shall be in addition to all other exemptions allowable to them respectively as in this Act provided. **Provided**, however, that the said exemption

of Seventy-five Thousand (\$75,000.00) Dollars herein provided, shall not apply to the proceeds of any Insurance Policies which are taxable under the provisions of Subdivision 4 of this Section.

Subdivision 6. A transfer of property by Deed of Trust heretofore or hereafter made wherein the trustor reserved to himself, or to himself and others, powers of revocation, alteration or amendment, upon the exercise of which the property would revert in him, shall upon the death of the trustor be taxable to the extent of the value of the property subject to such powers and with respect to which such powers remained unexercised.

Reservation
in deed of
trust unexercised—taxable

Subdivision 7. If property is transferred to executors or trustees in lieu of their commissions or allowances, the excess in value of the property so transferred above the amount of commissions or allowances which would be payable in the absence of such transfer, shall be taxable.

Transfer to
executor in lieu
of commission

Subdivision 8. Whenever any person, institution or corporation shall exercise a power of appointment derived from any disposition of property made either before or after the passage of this Act, such appointment, when made, shall be deemed a taxable transfer under the provisions of this Act, in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power and had been bequeathed or devised by such donee by will; and whenever any person, institution, or corporation possessing such a power of appointment so derived shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this Act shall be deemed to take place to the extent of such omission or failure, in the same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such power related had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

Power of
appointment

Subdivision 9. The provisions of this Act shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers as severally enumerated and described herein, whether made,

Retroactive

Section 2. Transfers Taxable.

created, arising, existing, exercised or relinquished before or after the enactment of this Act.

Rates of tax

Section 3. Rates of Tax; Exemptions; Deductions; Etc.

Subdivision 1. The tax imposed hereby shall be at the following rates:

Upon transfers to persons or the corporations under: } On the value of the property transferred in excess of exemption:

Class A.

Rates under class A

2 per cent not exceeding \$50,000.00.

4 per cent on the excess over \$50,000.00 and not exceeding \$75,000.00.

5 per cent on the excess over \$75,000.00 and not exceeding \$100,000.00.

7 per cent on the excess over \$100,000.00 and not exceeding \$150,000.00.

7½ per cent on the excess over \$150,000.00 and not exceeding \$500,000.00.

8 per cent on the excess over \$500,000.00.

Class B.

Rates under class B

3 per cent not exceeding \$10,000.00.

5 per cent on the excess over \$10,000.00 not exceeding \$20,000.00.

7 per cent on the excess over \$20,000.00 not exceeding \$50,000.00.

8 per cent on the excess over \$50,000.00 not exceeding \$100,000.00.

9 per cent on the excess over \$100,000.00 not exceeding \$200,000.00.

10 per cent on the excess over \$200,000.00.

Class C.

Rates under class C

4 per cent not exceeding \$2,500.00.

5 per cent on the excess over \$2,500.00 and not exceeding \$5,000.00.

6 per cent on the excess over \$5,000.00 and not exceeding \$10,000.00.

7 per cent on the excess over \$10,000.00 and not exceeding \$15,000.00.

Section 3. Rates of Tax; Exemptions, etc.

8 per cent on the excess over \$15,000.00 and not exceeding \$20,000.00.

9 per cent on the excess over \$20,000.00 and not exceeding \$30,000.00.

10 per cent on the excess over \$30,000.00 and not exceeding \$40,000.00.

11 per cent on the excess over \$40,000.00 and not exceeding \$50,000.00.

12 per cent on the excess over \$50,000.00 and not exceeding \$250,000.00.

13 per cent on the excess over \$250,000.00 and not exceeding \$500,000.00.

14 per cent on the excess of \$500,000.00.

Class D.

7 per cent not exceeding \$2,500.00.

8 per cent on the excess of \$2,500.00 and not exceeding \$5,000.00.

9 per cent on the excess of \$5,000.00 and not exceeding \$10,000.00.

10 per cent on the excess of \$10,000.00 and not exceeding \$15,000.00.

12 per cent on the excess of \$15,000.00 and not exceeding \$25,000.00.

14 per cent on the excess of \$25,000.00 and not exceeding \$500,000.00.

16 per cent on the excess over \$500,000.00.

Note: Under the provisions of the recent Act of the General Assembly, approved May 17, 1933, and now in effect, there shall also be assessed and collected for the payment of Old Age pensions the sum of ten per cent (10%) additional upon the amount of any tax payable under the Inheritance Tax laws of this State.

The following beneficiaries shall be included in:

Class A. Father, mother, husband, wife, child, or any child or children legally adopted as such, or to any lineal descendent of such decedent born in lawful wedlock.

Rates under class D

Parties included in class A

Class B. Wife or widow of the son, or the husband or widower of the daughter, or the grandfather or grandmother, or any brother or sister, or any person to whom the deceased, for not less than ten (10) years prior to death, stood in the mutually acknowledged relation of a parent; Provided, However, such relationship began at or before said person's fifteenth birthday and was continuous for ten (10) years thereafter; and, pro-

Parties in class B

Section 3. Rates of Tax; Exemptions, etc.

vided, also, that, except in the case of a step-child, the parents of such person so standing in such relation shall be deceased when such relationship commenced.

Parties in class C

Class C. Any uncle, aunt, niece, or nephew, or any lineal descendant of the same.

Parties in class D

Class D. All other persons and corporations not exempt from taxation under this Act.

Relatives of half-blood

Collateral relatives of the half-blood shall be entitled to the same exemptions, and shall pay the same rates of tax, as corresponding relatives of the whole blood.

Exemptions from tax

Subdivision 2. a. There shall be exempt from the tax imposed by this Act all transfers to or for the use of the United States, any State or Territory, or any political subdivision thereof, the District of Columbia, any public institution for exclusively public purposes, or any corporation, institution, society, association, or trust formed for charitable, educational, or religious purposes, provided that the property transferred is to be used exclusively for one or more of such purposes; but no such transfer shall be so exempt if any officer, member, shareholder, or employe, of such corporation, institution, society, association, or trust, shall receive or may be lawfully entitled to receive any pecuniary profit from the operation thereof, except reasonable compensation for service in effecting one or more of such purposes or as proper beneficiaries of a strictly charitable purpose, or if the organization of any such corporation, institution, society, association or trust, for any of the foregoing avowed purposes be a guise or pretense for directly or indirectly making for it or for any of its officers, members, shareholders, or employes, any other pecuniary profit, or if it be not in good faith organized or conducted for one or more of such purposes, PROVIDED, HOWEVER, that the exemptions allowed under this paragraph shall apply only to property situated in this State and be limited for use within this State.

Limited

Exemption to wife, \$20,000

b. Transfers to a wife shall be taxable only to the extent that the value of the property transferred exceeds Twenty Thousand (\$20,000.00) Dollars and transfers to any other person in Class A shall be taxable only to the extent that the value of the property exceeds Ten Thousand (\$10,000.00) Dollars; and trans-

Others in class A \$10,000

Section 3. Rates of Tax; Exemptions, etc.

fers to any person in Class B shall be taxable only to the extent that the property exceeds Two Thousand (\$2,000.00) Dollars. No transfer to any person or corporation in Classes C and D shall be taxable unless the value of the property exceeds Five Hundred (\$500.00) Dollars, in which case the entire transfer shall be taxable.

Exemption in class B \$2,000

Exemption in classes C and D

Subdivision 3. In determining the value of property transferred by will or intestate laws the following deductions and no others shall be allowed from the full and fair value of the property to which the transfer relates:

Deduction allowed

a. Debts of the transferor which constitute lawful claims against his estate:

Debts

b. Taxes—

Taxes

(1) On real property within this State which were a lien at the date of the transferor's death;

(2) On personal property of the transferor which constituted a personal obligation during his lifetime or were a lien at the time of death;

(3) Income taxes on the income of the transferor to the date of death.

c. Special assessments which at the time of death of the transferor were due and payable on real property located within this State;

Special assessments

d. Funeral expenses and all amounts not exceeding Five Hundred (\$500.00) Dollars actually expended or to be expended for a monument or memorial;

Funeral expenses

e. Commissions of executors and administrators, during the period of administration;

Commissions of executors

f. Expenses of administration, reasonable attorney's fees and not including clerical expense.

Expenses of administrators

Provided, however, that deductions for taxes and special assessments which constitute a lien on property, or for other liens or incumbrances on property, shall in no case exceed the value of such property, but this provision shall not affect the deduction for any obligation represented by such tax or special assessment, or

Deductions not to exceed value of property

Section 3. Rates of Tax; Exemptions, etc.

secured by such lien or encumbrance, which is also enforceable against or collectible from, the balance of the property to be taxed, or any part thereof.

On transfers other than by will or intestate laws

In the case of a transfer other than by will or intestate laws, deductions shall be allowed to the extent that payments are made from, or liens exist on, the property transferred, which would have constituted deductions if the same property had been transferred by will or intestate laws.

On death of non-resident

In the case of the estate of a non-resident, only such portion of the aforesaid deduction shall be allowed as is properly chargeable against the property, the transfer of which is subject to taxation.

Credit allowed for tax imposed previously and within three-years

Subdivision 4. If a transfer includes property upon the transfer of which to the present transferor a tax was previously and within three (3) years imposed by this State and paid, or property which can be identified as having been received by such transferor in exchange for property on which a tax was so imposed and paid, a credit on account of such tax shall be allowed against the tax imposed and paid with respect to the present transfer of such property to be apportioned among those liable for the tax according to the amount which each is liable to pay with respect to such property on the present transfer, but such credit allowed to any person liable to pay the tax on the present transfer, shall not exceed the amount of tax imposed and paid with respect to such property on the present transfer, but not to exceed the amount of tax imposed and paid with respect to the property on the present transfer. The three-year period shall be computed from the date the previous tax became due and not from the date of its payment.

Value of estates determined by standard of mortality

Subdivision 5. The value of every future, contingent, or limited estate, income, interest, or annuity for any life or lives in being, shall, so far as possible, be determined by the rule, method and standard of mortality and of value set forth in the following table using the interest rate or income rate for five per centum (5%) per annum.

TABLE FOR COMPUTING LIFE ESTATES AND TERMS OF YEARS FOR PURPOSE OF TAXATION

Table for
computing life
estates and
terms of years

1	2	3	4
Age with columns No. 2 and No. 3, also number of years with column No. 4.	Expectancy of life, American experience table.	Annuity or present value of \$1 @ 5% interest due the end of each year during the life of a person of specified age. American experience table.	Discount table. Present value of \$1 @ 5% interest paid an- nually at the end of various years.
1	.....	.....	.952381
2	.....	.....	1.859410
3	.....	.....	2.723248
4	.....	.....	3.545950
5	.....	.....	4.329476
6	.....	.....	5.075691
7	.....	.....	5.786372
8	.....	.....	6.463211
9	.....	.....	7.107820
10	48.72	16.50475	7.721733
11	48.09	16.46076	8.306412
12	47.45	16.41469	8.863249
13	46.80	16.36642	9.393570
14	46.16	16.31581	9.898638
15	45.51	16.26274	10.379655
16	44.85	16.20722	10.837767
17	44.19	16.14896	11.274064
18	43.53	16.08779	11.689585
19	42.87	16.02372	12.085319
20	42.20	15.95658	12.462208
21	41.53	15.88620	12.821150
22	40.85	15.81257	13.163000
23	40.17	15.73552	13.488571
24	39.49	15.65484	13.798639
25	38.81	15.57033	14.093942
26	38.12	15.48176	14.375183
27	37.43	15.38910	14.643031
28	36.73	15.29210	14.898125
29	36.03	15.19051	15.141071
30	35.33	15.08425	15.372448
31	34.63	14.97307	15.582807
32	33.92	14.85666	15.802673

Section 3. Rates of Tax; Exemptions, etc.

Continuation of table for computing life estates and term of years

1 Age with columns No. 2 and No. 3, also number of years with column No. 4.	2 Expectancy of life, American experience table.	3 Annuity or present value of \$1 @ 5% interest due the end of each year during the life of a person of specified age. American experience table.	4 Discount table. Present value of \$1 @ 5% interest paid annually at the end of various years.
33	33.21	14.73492	16.002546
34	32.50	14.60774	16.192901
35	31.78	14.47479	16.374191
36	31.07	14.33572	16.546848
37	30.35	14.19057	16.711284
38	29.63	14.03897	16.867889
39	28.90	13.88092	17.017037
40	28.18	13.71604	17.159083
41	27.45	13.54430	17.294365
42	26.72	13.36528	17.423205
43	25.99	13.17891	17.545909
44	25.27	12.98494	17.662770
45	24.54	12.78344	17.774067
46	23.81	12.57414	17.880064
47	23.08	12.35728	17.981013
48	22.35	12.13275	18.077155
49	21.63	11.90076	18.168719
50	20.91	11.66175	18.255923
51	20.20	11.41594	18.338974
52	19.49	11.16361	18.418070
53	18.79	10.90499	18.493400
54	18.09	10.64036	18.565143
55	17.40	10.37017	18.633469
56	16.72	10.09472	18.698542
57	16.05	9.81450	18.760516
58	15.39	9.52988	18.819539
59	14.74	9.24127	18.875751
60	14.10	8.94928	18.929287
61	13.47	8.65445	18.980273
62	12.86	8.35742	19.028831
63	12.26	8.05876	19.075077
64	11.67	7.75900	19.119121
65	11.10	7.45885	19.161067
66	10.54	7.15921	19.201016
67	10.00	6.86074	19.239063
68	9.47	6.56420	19.275298

Section 3. Rates of Tax; Exemptions, etc.

1 Age with columns No. 2 and No. 3, also number of years with column No. 4.	2 Expectancy of life, American experience table.	3 Annuity or present value of \$1 @ 5% interest due the end of each year during the life of a person of specified age. American experience table.	4 Discount table. Present value of \$1 @ 5% interest paid an- nually at the end of various years.	Continuation of table for computing life estates and term of years
69	8.97	6.27048	19.309807	
70	8.48	5.98022	19.342673	
71	8.00	5.69422	19.373974	
72	7.55	5.41286	19.403785	
73	7.11	5.13592	19.432176	
74	6.68	4.86279	19.459215	
75	6.27	4.59264	19.484967	
76	5.88	4.32477	19.509492	
77	5.49	4.05856	19.532849	
78	5.11	3.79392	19.555094	
79	4.75	3.53109	19.576280	
80	4.39	3.27017	19.596457	
81	4.05	3.01449	19.615673	
82	3.71	2.76062	19.633974	
83	3.39	2.51052	19.651404	
84	3.08	2.26066	19.668004	
85	2.77	2.00986	19.683813	
86	2.47	1.76061	19.698869	
87	2.18	1.51750	19.713208	
88	1.91	1.28611	19.726865	
89	1.66	1.06704	19.739871	
90	1.42	.85453	19.752258	
91	1.19	.64497	19.764055	
92	.98	.44851	19.775290	
93	.80	.28761	19.785990	
94	.64	.13605	19.796181	
95	....	.....	19.805886	
96	....	.....	19.815129	
97	....	.....	19.823932	
98	....	.....	19.832316	
99	....	.....	19.840301	
100	....	.....	19.847905	

Section 3. Rates of Tax; Exemptions, etc.

Under ten
years of age

Persons under ten (10) years of age shall be assumed to have the same expectancy of life as persons ten (10) years of age.

Value of
interest
remaining

The value of the interest remaining after any such temporary interest shall be determined by deducting the computed value of the temporary estate from the value of the entire property in which such interest exists. Unless otherwise provided by the transferor, the tax on such temporary interests and remainders shall be payable out of the property in which such temporary interests and remainders exists.

Where estate
may be divested

Subdivision 6. Where an estate or interest may be divested by the Act or omission of the transferee, it shall be taxed as if there were no possibility of divesting.

Highest rate

When property is transferred or limited in trust or otherwise, and the rights, interests or estates of the transferees or beneficiaries are dependent upon contingencies or conditions whereby they may be wholly or in part created, defeated, extended or abridged, a tax shall be imposed upon said transfers at the highest rate which would probably become or prove to be applicable under the provisions of this Act, taking into consideration, so far as pertinent, the life expectancy of the transferees or beneficiaries, as set forth in Subdivision 5 of Section 3 of this Act, and such tax so imposed shall be due and payable forthwith by the executors or trustee out of the property transferred.

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

Where an estate for life or for years can be divested by the act or omission of the legatee or devisee, it shall be taxed as if there was no possibility of such divesting.

Subdivision 7. If it shall be impossible to compute the present value of any of the property transferred, or of any interest therein, or if the tax cannot be determined because of a contingency as to who will take it, the Inheritance Tax Commissioner, with the written approval of the Attorney General, may enter into an agreement with the representatives of the estate or the transferees, or both, to compound the tax upon such terms as may be deemed equitable, and the payment of any amount agreed upon shall be in full satisfaction for the tax imposed by this Act and such amount shall be payable out of the property transferred. If such an agreement cannot be reached, the taxation of the property or interest shall be held in abeyance and the Inheritance Tax Commissioner shall require the representatives of the estate or transferees, or both, to give bond for the prompt payment of the tax at such time as the value of the property or interest, or the transferees, may be determined; and unless the property transferred is taxable at its full undiminished value as provided in Subdivision 8 of this Section, such tax shall bear interest as provided in Subdivision 2 of Section 4 of this Act. The amount of said bond shall be fixed and the sufficiency of the surety determined by the Inheritance Tax Commissioner.

Tax upon expectant estates may be agreed upon

If no agreement reached bond required to be given

Subdivision 8. Estates in expectancy which are contingent or defeasible and with respect to which proceedings for the determination of the tax have not been taken or where taxation thereof has been held in abeyance, shall be subject to taxation on the full undiminished value of the property transferred when the persons entitled thereto shall come into the beneficial possession or enjoyment thereof without interest and without diminution for or on account of any valuation theretofore made for purposes of taxation of the particular estates upon which said estates in expectancy may have been limited.

Estates in expectancy contingent or held in abeyance

Subdivision 9. When an interest based upon lives in being is terminated by death of the persons upon whose lives it is based and the tax upon the transfer thereof has not been fixed and determined, the value of said interest for the purpose of taxation under this Act shall be the amount actually paid or payable to the beneficiary and the value of the remainder shall be the difference between the value of the interest as so determined and the value of the property involved.

Values of life estates and remainders

Section 3. Rates of Tax; Exemptions, etc.

Additional tax credited on Federal estate tax

Terms used

Executor defined

Gross estate defined

Net estate defined

If net estate exceeds \$250,000.00 additional tax imposed

Estates of \$50,000— \$100,000

Estates of \$100,000— \$200,000

Estates of \$200,000— \$400,000

Estates of \$400,000— \$600,000

Section 4. Additional Tax to Take Advantage of Credit Allowed on Federal Estate Tax.

Subdivision 1. When used in this Section:

(a) The term "executor" means the executor of the will or administrator of the estate of the decedent, or if there be no such executor or administrator appointed, qualified and acting, then any person in actual or constructive possession of any property included in the gross estate of the decedent;

(b) The term "gross estate" means the gross estate as determined under the provisions of Subdivision 3 of this Section;

(c) The term "net estate" means the net estate as determined under the provisions of Subdivision 4 of this Section.

Subdivision 2. If the net estate, determined as in Subdivision 4 of this Section provided, exceeds Two Hundred Fifty Thousand (\$250,000.00) Dollars, an additional tax equal to the sum of the following percentages of the net estate is hereby imposed upon the transfer of the net estate of every decedent who at the time of his death was a resident of the State of Colorado;

(a) Four fifths of one per centum ($\frac{4}{5}$ of 1%) of the amount of the net estate not in excess of Fifty Thousand (\$50,000.00) Dollars;

(b) One and three-fifths per centum ($1\frac{3}{5}\%$) of the amount by which the net estate exceeds Fifty Thousand (\$50,000.00) Dollars and does not exceed One Hundred Thousand (\$100,000.00) Dollars;

(c) Two and two-fifths per centum ($2\frac{2}{5}\%$) of the amount by which the net estate exceeds One Hundred Thousand (\$100,000.00) Dollars and does not exceed Two Hundred Thousand (\$200,000.00) Dollars;

(d) Three and one-fifth per centum ($3\frac{1}{5}\%$) of the amount by which the net estate exceeds Two Hundred Thousand (\$200,000.00) Dollars and does not exceed Four Hundred Thousand (\$400,000.00) Dollars;

(e) Four per centum (4%) of the amount by which the net estate exceeds Four Hundred Thousand (\$400,000.00) Dollars and does not exceed Six Hundred Thousand (\$600,000.00) Dollars;

(f) Four and four-fifths per centum ($4 \frac{4}{5}\%$) of the amount by which the net estate exceeds Six Hundred Thousand (\$600,000.00) Dollars and does not exceed Eight Hundred Thousand (\$800,000.00) Dollars;

Estates of
\$600,000—
\$800,000

(g) Five and three-fifths per centum ($5 \frac{3}{5}\%$) of the amount by which the net estate exceeds Eight Hundred Thousand (\$800,000.00) Dollars and does not exceed One Million (\$1,000,000.00) Dollars;

Estates of
\$800,000—
\$1,000,000

(h) Six and two-fifths per centum ($6 \frac{2}{5}\%$) of the amount by which the net estate exceeds One Million (\$1,000,000.00) Dollars and does not exceed One Million Five Hundred Thousand (\$1,500,000.00) Dollars;

Estates of
\$1,000,000—
\$1,500,000

(i) Seven and one-fifth per centum ($7 \frac{1}{5}\%$) of the amount by which the net estate exceeds One Million Five Hundred Thousand (\$1,500,000.00) Dollars and does not exceed Two Million (\$2,000,000.00) Dollars;

Estates of
\$1,500,000—
\$2,000,000

(j) Eight per centum (8%) of the amount by which the net estate exceeds Two Million (\$2,000,000.00) Dollars and does not exceed Two Million Five Hundred Thousand (\$2,500,000.00) Dollars;

Estates of
\$2,000,000—
\$2,500,000

(k) Eight and four-fifths per centum ($8 \frac{4}{5}\%$) of the amount by which the net estate exceeds Two Million Five Hundred Thousand (\$2,500,000.00) Dollars and does not exceed Three Million (\$3,000,000.00) Dollars;

Estates of
\$2,500,000—
\$3,000,000

(l) Nine and three-fifths per centum ($9 \frac{3}{5}\%$) of the amount by which the net estate exceeds Three Million (\$3,000,000.00) Dollars and does not exceed Three Million Five Hundred Thousand (\$3,500,000.00) Dollars;

Estates of
\$3,000,000—
\$3,500,000

(m) Ten and two-fifths per centum ($10 \frac{2}{5}\%$) of the amount by which the net estate exceeds Three Million Five Hundred Thousand (\$3,500,000.00) Dollars and does not exceed Four Million (\$4,000,000.00) Dollars;

Estates of
\$3,500,000—
\$4,000,000

(n) Eleven and one-fifth per centum ($11 \frac{1}{5}\%$) of the amount by which the net estate exceeds Four Million (\$4,000,000.00) Dollars and does not exceed Five Million (\$5,000,000.00) Dollars;

Estates of
\$4,000,000—
\$5,000,000

(o) Twelve per centum (12%) of the amount by which the net estate exceeds Five Million (\$5,000,000.00) Dollars;

Estates of
\$5,000,000—
\$6,000,000

Section 4. Additional Tax to Take Advantage, etc.

000,000.00) Dollars and does not exceed Six Million (\$6,000,000.00) Dollars;

Estates of
\$6,000,000—
\$7,000,000

(p) Twelve and four-fifths per centum ($12\frac{4}{5}\%$) of the amount by which the net estate exceeds Six Million (\$6,000,000.00) Dollars and does not exceed Seven Million (\$7,000,000.00) Dollars;

Estates of
\$7,000,000—
\$8,000,000

(q) Thirteen and three-fifths per centum ($13\frac{3}{5}\%$) of the amount by which the net estate exceeds Seven Million (\$7,000,000.00) Dollars and does not exceed Eight Million (\$8,000,000.00) Dollars;

Estates of
\$8,000,000—
\$9,000,000

(r) Fourteen and two-fifths per centum ($14\frac{2}{5}\%$) of the amount by which the net estate exceeds Eight Million (\$8,000,000.00) Dollars and does not exceed Nine Million (\$9,000,000.00) Dollars;

Estates of
\$9,000,000—
\$10,000,000

(s) Fifteen and one-fifth per centum ($15\frac{1}{5}\%$) of the amount by which the net estate exceeds Nine Million (\$9,000,000.00) Dollars and does not exceed Ten Million (\$10,000,000.00) Dollars;

Estates over
\$10,000,000

(t) Sixteen per centum (16%) of the amount by which the net estate exceeds Ten Million (\$10,000,000.00) Dollars.

Credit on tax
imposed by
this section

The tax imposed by this Section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory of the United States or the District of Columbia, including any tax imposed under the other Sections of this Act in respect of any property included in the gross estate. In no event shall the tax payable under this Section exceed the amount, if any, by which the maximum credit allowable to the estate against the United States estate tax exceeds the credits provided for in the preceding sentence of this Section.

Value of gross
estate

Subdivision 3. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated (except real property situated outside this State and tangible personal property having an actual situs outside this State);

Interest at
time of death

(a) To the extent of any interest therein of the decedent at the time of his death;

Section 4. Additional Tax to Take Advantage, etc.

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a status creating an estate in lieu of dower or curtesy;

Interest in dower or curtesy

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for an adequate and full consideration in money or money's worth. Where within two (2) years prior to his death but after the enactment of this Act and without such consideration the decedent has made a transfer or transfers by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death, and the value or aggregate value, at the time of such death, of the property or interest so transferred to any one person is in excess of Five Thousand (\$5,000.00) Dollars, then, to the extent of such excess, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this title. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two (2) years prior to his death but prior to the enactment of this Act, without such a consideration shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title.

Interest in property transferred in contemplation of death

In excess of \$5,000

(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for an adequate and full consideration in money or money's worth.

Interest in

Power to alter, amend or revoke

The relinquishment of any such power, not admitted or shown to have been in contemplation of the decedent's death, made within two (2) years prior to his death but after the enactment of this Act without such consideration and affecting the interest or inter-

Relinquishments deemed to have been made in contemplation of death

ests (whether arising from one or more transfers or the creation of one or more trusts) of any one (1) beneficiary of a value or aggregate value, at the time of such death, in excess of Five Thousand (\$5,000.00) Dollars, then, to the extent of such excess, such relinquishment or relinquishments shall be deemed and held to have been made up in contemplation of death within the meaning of this title.

Interest held
as joint
tenants or as
tenants by the
entirety

(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than an adequate and full consideration in money or money's worth; Provided, That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than an adequate and full consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person; Provided, Further, That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent, and spouse, then to the extent of one-half ($\frac{1}{2}$) of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants;

General
power of
appointment

(f) To the extent of any property passing under the general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale of an adequate and full consideration in money or money's worth; and,

Insurance
received by
executor and

(g) To the extent of the amount receivable by the executor as insurance under policies taken out by the

Section 4. Additional Tax to Take Advantage, etc.

decedent upon his own life; and to the extent of the excess over Forty Thousand (\$40,000.00) Dollars of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

in excess of
\$40,000

(h) Except as otherwise specifically provided therein Subdivisions (b), (c), (d), (e), (f), and (g) of this Section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers as severally enumerated and described therein, whether made, created, arising, existing, exercised or relinquished before or after the enactment of this Act.

Application of
this section

(i) If any one of the transfers, trusts, interests, rights, or powers, enumerated and described in Subdivisions (c), (d), and (f) of this Section is made, created, exercised, or relinquished for a consideration in money or money's worth, but is not a bona fide sale for an adequate and full consideration in money or money's worth, there shall be included in the gross estate only the excess of the fair market value at the time of death of the property otherwise to be included on account of such transaction, over the value of the consideration received therefor by the decedent.

Excess of
value over
consideration
included in
gross estate

Subdivision 4. For the purpose of the tax imposed by this Section, the value of the net estate shall be determined by deducting from the value of the gross estate determined as in this Section provided;

Deductions
from gross
estate

(a) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages upon, or any indebtedness in respect to property, the value of which is included in the gross estate to the extent that such claims, mortgages, or indebtedness were incurred or contracted bona fide and for an adequate and full consideration in money or money's worth, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the law of this State, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or in-

Claims allowed
by the law of
this state, not
including
certain income
and inheritance
taxes

Section 4. Additional Tax to Take Advantage, etc.

heritance taxes, but such taxes (other than income taxes) shall be allowed as a credit in the manner and to the extent provided by Subdivision 2 of this Section.

Value of property forming part of gross estate of persons who died within five years or property by gift within five years prior to death of decedent

(b) An amount equal to the value of any property (1) forming a part of the gross estate situated in the United States of any person who died within five (5) years prior to the death of the decedent or (2) transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the United States Revenue Act of Nineteen Hundred and Twenty-four (1924) or an estate tax imposed under the United States Revenue Act of Nineteen Hundred Twenty-six (1926), or any prior Act of Congress of the United States was paid by or on behalf of the donor or the estate of such prior decedent, as the case may be, and only in the amount of the value placed by the United States Commissioner of Internal Revenue on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (a) or paragraph (c) of this Subdivision.

Exemptions from tax for charitable, etc. purposes

(c) The amount of all bequests, legacies, devises, or transfers, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes or to or for the use of any corporation, where-soever incorporated or located, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or

for the prevention of cruelty to children or animals. The amount of the deduction under this paragraph for any transfer shall not exceed the value of the transferred property required to be included in the gross estate; and,

(d) An exemption of One Hundred Thousand (\$100,000.00) Dollars.

Exemption of \$100,000

Subdivision 5. The executor of the estate of any decedent who shall hereafter die a resident of this State and whose gross estate exceeds Two Hundred Fifty Thousand (\$250,000.00) Dollars, shall make and file with the Inheritance Tax Commissioner a duplicate of the return which he is required to make and file with the collector under the provisions of the Federal Estate Tax Law for the purpose of having the Federal Estate Tax determined, and shall also at such time and in such manner as may be required by the Inheritance Tax Commissioner, file with him such supplemental returns or additional data as may be necessary to establish the correct tax imposed by this Section.

Executor of estate exceeding \$250,000.00 make duplicate returns

It shall be the duty of the Inheritance Tax Commissioner to appraise the gross estate of such decedent at its fair market value on the date of the death of such decedent and to compute the tax payable under this Section; and in case any tax is payable under this Section he shall make a report of such appraisement and computation in duplicate in writing to the County Court and to the Attorney General and from such report said County Court shall forthwith enter an order fixing the fair market value of the gross estate of such decedent and the tax to which the same is liable according to the provisions of this Section and immediately give notice by mail to the executor.

Report of commissioner

County court fix value of estates

Any person or persons, including the Attorney General, dissatisfied with the assessment made or tax fixed by the County Court in the estate of the decedent may object thereto, either upon the ground of erroneous valuation, appraisement, or assessment, or otherwise, by a written objection filed in the County Court within sixty (60) days after the making of the assessment order. The County Court shall thereupon, after a hearing wherein the Attorney General shall represent the State, modify, review or confirm in whole or in part, the appraisement and assessment. Wit-

Interested persons may object to tax fixed by county court

Hearing

Section 4. Additional Tax to Take Advantage, etc.

nesses subpoenaed under the provisions of this Section shall have such fees as are now provided by law; Provided, that on the petition of the Attorney General and with the consent of the County Court, expert witnesses may be called, the amount of whose fees shall be determined by the County Court.

Appeal from
county court

Any person or persons interested in the estate of a decedent, who may be dissatisfied with the assessment made or tax fixed by the County Court, may at any time within ten (10) days after the entry of judgment upon such objections, appeal therefrom to the District Court of the proper County, upon giving bond to be approved by the County Court conditioned to prosecute said appeal and to pay all costs and whatever taxes shall be fixed by the District Court on appeal. Neither costs or bonds shall in any case be required from the representatives of, or charged against, the State of Colorado.

Bond

Costs

Tax a lien

The tax by this Section imposed shall be paid by the executor as a part of the costs of administration. The tax by this Section imposed shall be and remain a lien upon the property transferred until paid. Subject to the foregoing provisions the tax by this Section imposed shall be levied, assessed, secured and collected, in the same manner as other taxes by this Act imposed.

Inapplicable to
estate less
than \$250,000.00

This Section shall be inapplicable in any case in which the net estate subject to the Federal Estate Tax does not exceed Two Hundred Fifty Thousand (\$250,000.00) Dollars.

Limitations of
this section

This Section shall continue in effect as long as any Act of Congress imposing the Federal Estate Tax shall continue to contain a provision allowing credit on the Federal Estate Tax of the amount of all estate, inheritance, legacy, or succession taxes paid to any State or Territory of the United States or to the District of Columbia, of any per centum of the Federal Estate Tax.

Tax due at
death

Section 5. Payment of Taxes.

Subdivision 1. Excepting as herein elsewhere expressly provided, the tax imposed by this Act shall be due and payable at the death of the transferor, and all taxable transfers made by a decedent shall be deemed

Section 5. Payment of Taxes.

to have been made as of the time of his death. The value of all property transferred to a beneficiary shall be aggregated for the purpose of computing the tax exemptions.

Subdivision 2. All taxes imposed by this Act which are paid within six (6) months after they become due shall be allowed a discount of five per centum (5%). If not paid within one (1) year after the death of the decedent, they shall bear interest at the rate of ten per centum (10%) per annum from the date of the death of the decedent. Interest may be reduced or waived in whole or in part, at the discretion of the Inheritance Tax Commissioner, because of unavoidable delay in the settling of the estate, the pending of litigation, or for other reasonable cause; the interest shall be so reduced, or waived, if the Judge of the County Court having jurisdiction of the determination of the tax shall make a certificate that in his judgment the delay in payment of the tax was due to the unavoidable delay in the settling of the estate, to pending litigation, or to other reasonable cause, and specify in such certificate the extent to which interest is to be waived or reduced; Provided, that if the sworn statement required by Subdivision 6 of Section 6 of this Act to be filed with the Attorney General, is not filed within the period therein provided, or within the period of any extension granted thereunder, it shall not be obligatory upon the Judge of the County Court or upon the Inheritance Tax Commissioner to grant any waiver or reduction of interest. Where interest is reduced or waived by the Inheritance Tax Commissioner, he shall make and file in the County Court having jurisdiction of the estate, a statement in writing of the extent to which the same was reduced or waived, and his reasons therefor. Where interest is reduced or waived, on the certificate of the Judge of the County Court, such certificate, or certified copy thereof, shall be filed in the office of the Inheritance Tax Commissioner.

Discount
within six
months

Ten per cent
interest after
one year

Interest may
be reduced or
waived

By inheritance
tax
commissioner

On certificate
of county judge

Temporary
payment
of taxes

Subdivision 3. Temporary payments of taxes may be paid at any time after the due date and before the tax is determined. A temporary payment made within six (6) months after the due date will be entitled to the benefit of the discount provided for in Subdivision 2 of this Section, and a temporary payment made thereafter shall stop the running of the interest thereon as therein provided.

Section 5. Payment of Taxes.

Commissioners
may permit
payments in
annual
installments

Subdivision 4. If the total tax imposed in an estate exceeds five per centum (5%) of the net value of all the property transferred by the decedent, the Inheritance Tax Commissioner shall, and may, in such other cases as an immediate payment would, in his opinion, work undue hardship, permit the payment of the tax to be made in annual installments, provided that in no case shall the payment of any part of the tax be extended for more than three (3) years from the due date, and that all payments made after the expiration of one (1) year from the due date shall bear interest at the rate of seven per centum (7%) per annum from the date of the death of the transferor until the expiration of the time limited by the Inheritance Tax Commissioner for payment, and thereafter at the rate of ten per centum (10%) per annum. The first installment shall be due and payable within one (1) year after the death of the decedent and no installment except the last shall be for less than five per centum (5%) of the net value of all the property transferred by the decedent. If the payment of the tax is extended in accordance with the provisions thereof, the Inheritance Tax Commissioner shall, immediately upon agreeing to such extension, make a certificate thereof, in quadruplicate, a counterpart of which certificate shall be filed in his office, in the office of the State Treasurer, and the office of the Clerk of the County Court having jurisdiction of the estate, and the fourth counterpart to be delivered to the representative of the estate.

Certificate of
commissioner

Section 6. Administration of the Law and Enforcement of the Tax.

Tax a lien

Subdivision 1. Every tax imposed by this Act shall be and remain a lien upon the property passed and transferred until paid, except where the transfer is by deed or grant in the hands of a bona fide purchaser or encumbrancer without notice. In such case a certified copy of the application for probate of the will or estate of the decedent or a copy of the order of the County Court assessing the inheritance tax may be recorded in the office of the County Clerk of the County where any real property described therein is situated, which record shall thereafter be deemed to be notice of such taxes to a subsequent purchaser and encumbrancer of such real property, which record may be dis-

Exception

Notice of tax

Section 6. Administration of the Law, etc.

charged by recording the receipt of the State Treasurer to that effect. The person to whom the property passes or is transferred and all executors, administrators, and trustees, shall be personally liable for the payment of all such taxes and interest and where proceedings for collection of taxes assessed shall be had, said executors, administrators, and trustees, shall be personally liable for the expense, costs and fees of collection, provided that no administrator, executor, or trustee, shall be liable for a greater sum than the value of the property actually received by him, and transferees shall be liable only for the tax and interest on property transferred to them.

Personal liability for payment

In all cases where any tax has become, or shall hereafter become a lien upon any property under or by virtue of any of the provisions of this Act, the Attorney General may, whenever any property of said estate has been distributed without the payments to the State of all or any part of the tax payable on account thereof under this Act, or any former Act, bring and prosecute an action or actions in the name of the State as plaintiff for the purpose of enforcing such lien or liens against all or any of the property subject thereto. In any such action the owner of any property, or of any interest in the property, against which the lien of any such tax is sought to be enforced, and any predecessor in interest of any such owner whose title or interest was deraigned through any such decedent by will or succession or by decree of distribution of the estate of such decedent or any lien or encumbrance subsequent to the lien of such tax, may be made a party defendant.

Enforcement of lien by attorney general

Parties defendant

Subdivision 2. Any administrator, executor, or trustee, having any charge or trust in legacies or property for distribution subject to the said tax, shall deduct the tax therefrom, or if the legacy or property be not money, he shall collect a tax thereon upon the appraised value thereof from the legatee or person entitled to such property, and he shall not deliver or be compelled to deliver any specific legacy or property subject to tax to any person until he shall have collected the tax thereon, and whenever any such legacy shall be charged upon or payable out of real estate, the executor, administrator, or trustee, before paying the same shall deduct said tax therefrom and pay the same to the State Treasurer, and the same shall remain a

Executor deduct tax

No distribution until tax paid

Section 6. Administration of the Law, etc.

charge on such real estate until paid and the payment thereof shall be enforced by the executor, administrator, or trustee, in the same manner that the payment of said legacies might be enforced; if, however, such legacy be given in money to any person for a limited period, the administrator, executor, or trustee shall retain the tax upon the whole amount, but if it be not in money, he shall make application to the Court having jurisdiction of his accounts to make an apportionment, if the case requires it, if the sum to be paid into his hands by such legatees, and for such further order relative thereto as the case may require. All administrators, executors, or trustees, shall have full power to sell so much of the property of the decedent as will enable them to pay said tax, in the same manner as they may be enabled to do by law, for the payment of debts of their testators and intestates, and the amount of said tax shall be paid as hereinafter directed.

Apportionment

Sale of property to pay tax

Executor pay within 30 days

No final account allowed until paid

Receipt conclusive evidence of payment

Tax collectable only on order of county court, except temporary payments

Subdivision 3. Every sum of money retained by an executor, administrator, or trustee, or paid into his hands for any tax under this Act, shall be paid by him within thirty (30) days thereafter to the State Treasurer, who shall give him receipts for such payments which shall be proper vouchers in the settlement of the accounts of such executor, administrator, or trustee, and no estate shall be distributed, nor shall any final account of any executor, administrator, or trustee, be accepted or allowed by the County Court unless such account shows, and the Judge of said Court finds, that all taxes with interest thereon imposed by the provisions of this Act upon any property or interest therein belonging to the said estate to be settled by said account and already payable, have been paid, and that all taxes which may become due on said estate have been paid or settled as hereinbefore provided, or, that the payment thereof to the State is secured by bond, the amount of which and the sufficiency of the sureties whereof are approved by the Inheritance Tax Commissioner, or have been duly waived in the manner provided for in this Act. The receipt of the State Treasurer for the amount of the tax shall be conclusive as to the proof of the payment of such tax.

Subdivision 4. With the exception of temporary payment made under the foregoing provisions, no tax shall in any case be collected by or paid to the State Treasurer except upon and in accordance with an as-

Section 6. Administration of the Law, etc.

assessment order issued from the proper County Court. No fees shall be charged against the Representatives of the State of Colorado, or against any person otherwise than as herein provided, but the Clerk of the County Court shall tax the sum of fifty cents (50c) for each entering of an assessment order and five cents (5c) for each notice of assessment order mailed, as costs in the estate in such case in which the estate in which a tax is due is undergoing administration in the County Court. If the estate is not undergoing administration, no fees shall be charged for docketing the estate on the filing of the Inheritance Tax Commissioner's report, or for filing such report, or for the entering of the assessment order, or for mailing the notice of the assessment order, or for recording or otherwise, unless objections are filed and further proceedings had upon them. In every case in which objections are filed, and further proceedings had, costs shall be taxed against the persons objecting, except the State as in ordinary civil actions. In special proceedings occurring under Subdivision 13 of this Section, costs shall be assessed as in ordinary civil actions against the persons in default, excepting the State.

Fees of clerk
of county court

No administra-
tion

Objectors pay
fees

Costs

Subdivision 5. When any amount of said tax has been paid erroneously to the State Treasurer, it shall be lawful for, and be the duty of, the State Auditor, upon a certificate of the Judge of the County Court having jurisdiction of the determination of the tax, which certificate shall designate the amount erroneously paid by the person paying same, to draw a warrant on the State Treasurer, payable to the executor, administrator, or trustee, person or persons who may have paid any such tax in error, or to the heirs at law or person or persons lawfully entitled thereto, for the amount of such tax so erroneously paid, as shown by such certificate, and it shall be the duty of the State Treasurer, upon presentation of any such warrant, to pay the same out of any inheritance tax money then or thereafter in his possession. The said certificate may relate to temporary payments made hereunder before the tax is determined, or to payments made pursuant to the order of the Court determining the same. No refund shall be made on account of failure to allow any credit under the provisions of Subdivision 4 of Section 3 of this Act unless such credit is claimed in the sworn

Tax
erroneously
paid

State auditor
draw warrant

State treasurer
pay warrant

statement filed with the Attorney General as required by Subdivision 6 of Section 6 of this Act, or unless the claim for such credit is otherwise made in writing to the Inheritance Tax Commissioner before the tax is paid. The provisions of this Subdivision 5 shall also be applicable to payments erroneously made under the Inheritance Tax Act approved April 11, 1921, and April 4, 1927; Provided, that all applications for the repayment of any tax erroneously paid, either under the provisions of this Act, or under the provisions of said Acts approved April 11, 1921 or April 4, 1927, shall be made within three (3) years from the date of final determination of the tax by the County Court, and for the purposes of this limitation shall be deemed made when application is made to the Judge of the Court for the issuance of said certificate.

Also applicable to tax Act of April 11, 1921 and April 4, 1927

Administrator filed statement with attorney general

Subdivision 6. Every administrator, executor, or trustee, of the estate of a decedent who was at the time of his death a resident of this State, or to whose estate this Act is applicable if a non-resident, shall within three (3) months after the date of his appointment, file with the Attorney General a sworn statement of all property, real, personal, or mixed, and of any and all interests therein, owned by the said decedent at the time of his death, and of all such property and interest, if any, transferred by said decedent, in his lifetime, by deed, grant, bargain, sale, or gift, made in contemplation of death of such decedent, or intended to take effect in possession or enjoyment at or after such death, so far as the same shall have come to the knowledge of such administrator, executor, or trustee. Any person swearing to such statement knowing the same to be false, shall be deemed guilty of perjury and upon conviction thereof shall be punished accordingly.

Penalty for false statement

Extension of time

Whenever, by reason of the complicated nature of any estate or by reason of the confused condition of the decedent's affairs, it is impracticable for the executor, administrator, or trustee of said estate to file with the Attorney General a full, complete and itemized inventory of the property belonging to the estate within the time hereinbefore required, the Attorney General may, upon application of such representative or parties interested, made within such time extend the time for filing the statement for a period not to exceed six (6) months beyond the time fixed by law,

Section 6. Administration of the Law, etc.

or such further time as may be necessary upon good cause shown.

Subdivision 7. If an executor, administrator, or trustee, shall assign or transfer any stock or obligations of any domestic or foreign corporation doing business within this State, standing in the name of, or in trust for a decedent, or belonging to or standing in the joint name of such decedent and one or more persons, not exempt from taxation under Section 3 hereof, the tax shall be paid to the State Treasurer on the transfer thereof. No corporation, or other institution, person or persons, holding or controlling the transfer of, securities or assets, or assets of trust indentures of deceased persons, shall deliver or transfer the same to the executors, administrators, trustees, heirs or legatees of said decedent, or to the survivor or survivors when held in the joint names of a decedent and one or more persons, upon their order or request unless notice in writing of the time and place of such intended transfer or delivery be served upon the Commissioner appointed under this Act at least ten (10) days prior to such transfer or delivery; nor shall any corporation, institution, person or persons, transfer or deliver any securities or assets of a decedent, without first obtaining the written consent thereto of the Attorney General, who shall, as a condition of such consent, require that a sufficient amount or portion of such securities or assets be retained to pay any taxes or fees, and the interest thereon, which may thereafter be assessed upon the transfer of such property under the provisions of this Act or any amendment thereof. And it shall be lawful for the said Commissioner or Attorney General to examine said securities or assets at the time of such delivery or transfer. Failure to serve such notice or to allow such examination or to retain a sufficient portion or amount to pay such tax and interest as herein provided, shall render such corporation or other institution, person or persons, liable to the payment of the tax and interest due upon the transfer of said securities or assets, in pursuance of the provision of this Act and in addition thereto, or in the absence of any tax, to a penalty of One Thousand (\$1,000.00) Dollars. The payment of such tax and interest and penalty, or either, may be enforced against the corporation, institution, or person, in the same way as the liability of legatees, or legal representatives, or

Transfer of corporate stock and securities by administrator, etc.

Transfer of assets or stock of decedent by holder

Notice of intention served on attorney general

Consent to transfer

Examination

Failure to serve notice or allow examination—personal liability, penalty

Enforcement of tax

Section 6. Administration of the Law, etc.

may be collected by a civil action by the Attorney General brought in any Court of competent jurisdiction. The terms "corporation" and "institution" are defined to include corporations generally, foreign or domestic, which are qualified to do business in this State, and also all banks, trust companies, safe deposit companies, or other corporate or non-corporate institutions occupying fiduciary relations. The term "securities or assets" shall include stocks, bonds, notes, securities, choses in action, and other personal property, or the evidences thereof; and, as applied to banks or similar organizations or persons, shall include deposits or other funds or papers held in storage, deposit or trust; and as to safe deposit companies, the contents or control of safe deposit boxes; and as to corporations or institutions generally, shall include shares in, or registered bonds of, or other interests, in the corporation or institution transferring. Assets or securities, including safe deposit boxes, shall be considered the property of the decedent if held by him jointly with one or more other persons, or safe deposit box to which a decedent had the right of access either as deputy or otherwise.

Definition

Securities or assets defined

Safe deposit boxes

Assets held jointly with decedent

Fee for examination

A fee of Ten (\$10.00) Dollars shall be charged and collected for each such examination, whether such transfer be found to be taxable or not, and an examination fee of Ten (\$10.00) Dollars shall be charged and collected in all transfers of real estate taxable under this Act, PROVIDED, that only one (1) examination fee shall be charged against any estate. Said fee shall be paid into the inheritance tax fund.

No notice required on deposits not in excess of \$200

Provided, however, that in cases where the aggregate deposits of money in the savings and/or checking department of any banking institution to the credit of the decedent or to the credit of the decedent and any other person or persons as joint tenants, do not exceed Two Hundred (\$200.00) Dollars, such deposits may be released or paid out by such banking institutions without notifying the Attorney General or obtaining his consent.

Inheritance tax commissioner

Subdivision 8. For the purpose of facilitating the collection of said inheritance tax, and in order to fix the value of the property of persons whose estates shall be subject to the payment of said tax, there is hereby created the office of Inheritance Tax Commissioner, which shall be filled by appointment by the At-

torney General, of an Attorney at Law licensed to practice in this State, and who shall have been actually engaged therein in the practice of law for not less than five (5) years last preceding the date of his appointment. Said Inheritance Tax Commissioner shall be an assistant to the Attorney General, charged with the special duty of representing him in all matters connected with the administration and enforcement of the provisions of this Act, and shall hold his office at the pleasure of the Attorney General. Said Inheritance Tax Commissioner shall appoint two (2) Deputy Inheritance Tax Commissioners, Two (2) Inheritance Appraisers, a clerk and two (2) stenographers, who shall devote their entire time to the performance of the duties of said office. Said commissioner shall also have power, and he may, with the consent of the Attorney General and the approval of the State Civil Service Commission, employ such other assistant or assistants as from time to time may become necessary to the proper conduct and administration of his office.

Duties

Deputies, appraisers, clerks, stenographers

Other assistants

The Inheritance Tax Commissioner, Deputy Inheritance Tax Commissioners, and the Inheritance Tax Appraisers, shall each receive in addition to their annual salary as fixed by law, their actual and necessary traveling expenses and witness fees. The salaries of said Commissioner, Deputy Commissioners, Appraisers, clerks, stenographers, and other assistants, together with said traveling expenses, witness fees, and all other necessary and incidental expenses connected with the business, conduct and equipment of the office of said Commissioner, shall be payable only out of biennial appropriations made by the General Assembly for such purposes.

Expenses and witness fees

How paid

Said Inheritance Tax Commissioner and each of his said Deputies and each of said Appraisers shall file with the Secretary of State, his oath of office and official bond in the penal sum of not less than One Thousand (\$1,000.00) Dollars, and not more than Twenty Thousand (\$20,000.00) Dollars, in the discretion of the Attorney General, conditioned on the faithful performance of his duties of such Inheritance Tax Commissioner or Deputy or Appraiser, which bonds shall be approved by the Attorney General.

Oath and bond of commissioner, deputies and appraisers

It shall be the duty of the Inheritance Tax Commissioner, as often as, or whenever occasion may re-

Appraisal of estates

Section 6. Administration of the Law, etc.

Notice of appraisement to parties in interest

When waived

May subpoena witnesses

Reports to county court and attorney general

County court fix cash value of estate

Notice

quire, or upon the motion of any person interested in the estate, to appraise the estate of any deceased person upon which letters of administration or letters testamentary have issued, forthwith giving ten (10) days' notice by mail to all persons known to have, or claim, an interest in said property, and to such persons as the County Judge may by order direct, of the time and place at which he will appraise such property; Provided, a written request for such notice is filed with the Attorney General, with the sworn statement filed pursuant to Subdivision 6 of this Section, and if no such written request for notice is filed as aforesaid, then such notice shall be deemed waived; and at such time and place to appraise the same at a fair market value, and for that purpose the Commissioner and each of his Deputies is authorized to issue subpoenas for, and compel the attendance of, witnesses before him, and to take the evidence of such witnesses under oath concerning such property and the value thereof, and he shall make a report in duplicate thereon in writing to the County Court and to the Attorney General showing the fair market value of all of the estate belonging to the deceased at the time of his death and the description of the same, all debts, claims, fees, and commissions, including the fees and commissions of the executor and administrator, the names, relationship, and residence of all persons, corporations, or institutions, receiving or claiming any of the estate of the deceased, a description of any property belonging to the estate of said decedent alleged to have been transferred by deed, grant, sale, or gift, made in contemplation of death by the said decedent, or intended to take effect in possession or enjoyment at or after such death, a description of all estates left by said decedent whether an estate in fee, annuities, life estates, or for a term of years, whether such decedent died intestate or left a will; and such other facts in relation thereto, together with the depositions of the witnesses examined, as the County Court may by order require to be filed in the office of the Clerk of said County Court; and from this report the said County Court shall forthwith enter an order fixing the then cash value of the property of such estate and of the interest therein passing to each person, corporation or institution, under the will or by descent or otherwise and the tax to which the same is liable, and shall immediately give notice by mail to all parties known to be interested therein.

Any person or persons, including the Attorney General, dissatisfied with the assessment made or tax fixed by the County Court in the estate of the decedent may object thereto, either upon the ground of erroneous valuation, appraisement or assessment, or otherwise, by a written objection filed in the County Court within sixty (60) days after the making of the assessment order. The County Court shall thereupon, after a hearing wherein the Attorney General shall represent the State, modify, review, or confirm in whole or in part, the appraisement and assessment. Witnesses subpoenaed under the provisions of this Section shall have such fees as are now provided by law; Provided, That on the petition of the Attorney General and with the consent of the County Court, expert witnesses may be called, the amount of whose fees shall be determined by the County Court.

Interested persons may object to tax fixed by county court

Hearing

Fees

Fees of expert witnesses

Appeal from county court

Bond

Writ of error from supreme court

Any person or persons interested in the estate of a decedent who may be dissatisfied with the assessment made or tax fixed by the County Court, may at any time within ten (10) days after the entry of judgment upon such objections, appeal therefrom to the District Court of the proper County, upon giving bond to be approved by the County Court, conditioned to prosecute said appeal and to pay all costs and whatever taxes shall be fixed by the District Court on appeal; Provided, However, that nothing herein contained shall be construed to deny the right of writ of error from the Supreme Court to the County Court. Neither costs nor bonds shall in any case be required from the representative of, or charged against, the State of Colorado.

Actions to quiet title

Actions may be brought against the State by any interested person for the purpose of quieting the title to any property against the lien or claim of lien of any tax or taxes under this Act, or for the purpose of having it determined that any property is not subject to any lien for taxes, nor chargeable with any tax under this Act. No such action shall be maintained where any proceedings are pending in any Court in this State wherein the taxability of such transfer and the liability therefor, and the amount thereof, may be determined. All parties interested in said transfer and in the taxability thereof shall be made parties thereto, and any interested person who refuses to join as plaintiff therein may be a defendant. Summons for the

Parties

Summons

Section 6. Administration of the Law, etc.

Judgment

State in said action shall be served upon the Attorney General. Should the Court determine that the property described in the complaint is subject to the lien of said tax and that said property has been transferred within the meaning of this Act, the Court shall award affirmative relief to the State in said action, and judgment shall be rendered therein in favor of the State, ascertaining and determining the amount of said tax, the person or persons liable therefor, and the property chargeable therewith or subject to lien therefor.

Investigation upon death of person having estate subject to tax

It shall be the duty of said Inheritance Tax Commissioner and each of his said Deputies upon learning of the death of any person known or supposed to have died possessed of property in this state or subject to the tax imposed by this Act, to make an immediate investigation and to inform the Attorney General and the County Court of the County wherein said property is situated or wherein said decedent resided, of any facts learned by him respecting the estate of such decedent.

Refusal to furnish information

Whenever an executor, administrator, trustee, or any other person who is liable to taxation under the provisions of this Act refuses or neglects to furnish the Inheritance Tax Commissioner with any information which in the opinion of the Inheritance Tax Commissioner is necessary to the proper computation of the taxes payable by such executor, administrator, trustee, or person, after having been requested to so do, the Inheritance Tax Commissioner shall certify such taxes at the highest rate at which they could in any event be computed.

County court may grant letters of administration

In case letters testamentary or of administration shall not have been issued upon the estate of any deceased person and the tax provided for herein shall not have been paid to the satisfaction of the Attorney General within sixty (60) days from the date of the death of any deceased person, the County Court having jurisdiction in the matter may grant letters of administration or letters of administration with the will annexed, as the case may be, to any person or persons, upon the application of the Attorney General, Provided, that nothing contained in this provision shall be construed to compel the Attorney General to apply for such appointment, unless he so desires, or to prevent the enforcement of the collection of any tax provided

Attorney general not compelled to act

for herein in any other manner as may be provided in this Act or by law.

Subdivision 9. Whenever the Inheritance Tax Commissioner shall upon investigation, be satisfied that the transfer of any property of a deceased person is not liable to taxation under this Act, he shall make and sign a certificate to that effect which shall be countersigned by the Attorney General and filed with the Clerk of the Court having jurisdiction of the administration of such estate. Such certificate shall be conclusive upon the State as to the liability of said estate to taxation, except as to property subsequently found to belong to said estate, and the Court, upon the filing of such certificate, shall enter an order finding that said estate is not liable to taxation under this Act. A fee of One (\$1.00) Dollar shall be charged and collected for such certificate in all estates the gross value of which, as reported to said Inheritance Tax Department, equals or is less than Five Thousand (\$5,000.00) Dollars; Provided, that, if the sworn statement required by Subdivision 6, Section 6, of this Act to be filed with the Attorney General, is not filed within the period therein provided, or within the period of any extension granted thereunder, such fee shall be Three (\$3.00) Dollars. In all other estates, a fee of Five (\$5.00) Dollars shall be charged and collected for such certificates; Provided, That if the said sworn statement required by the provisions of Subdivision 6 of Section 6, shall not be filed within the period therein provided, or within the period of any extension granted thereunder, such fee shall be Ten (\$10.00) Dollars. Such fees shall be paid into the inheritance tax fund. In computing the gross value of the estate for the purpose of this Subdivision, encumbered property shall be taken at its gross value without the deduction of the encumbrances thereon.

All waivers of appraisement by the Attorney General heretofore filed in connection with estates administered before the passage of this Act are hereby validated and declared to have like effect with the certificate provided for by this Section.

Subdivision 10. In case of the failure of the Inheritance Tax Commissioner to make such appraisement of the property of the estate of any decedent or to make and file the certificate provided for in Sub-

Certificate of non-liability to tax

Fee of one dollar

Fee of \$3.00

Fee of \$5.00

Fee of \$10.00

Former waivers validated

Failure to appraise

Court fix
value and tax

division 9 of this Section, within one (1) year after the issuance of letters testamentary or letters of administration, PROVIDED, that the Attorney General has received the sworn statement provided for in Subdivision 6 of this Section, the County Court, upon motion of any person interested in said estate, as executor, administrator, trustee, heir, legatee, or devisee, upon giving twenty (20) days' notice by mail to all persons known to be interested in said estate, including the Attorney General and the Inheritance Tax Commissioner, of the time and place of hearing, may at the time so fixed hear evidence and determine the value of such estate, and the amount of taxes to which the same is liable, with the same effect as if the value of such estate and the fixing of said tax were made upon the report of the Commissioner as provided for in Subdivision 8 of this Section, and appeals from such order may be taken in the same manner as provided by said Subdivision 8.

Officers taking
fees or re-
ward—penalty

Subdivision 11. Any Inheritance Tax Commissioner appointed under this Act, any Deputy Inheritance Tax Commissioner or any Inheritance Tax Appraiser, who shall take or demand for his own use any fees or reward, other than such as are authorized by law, from any person, association, or corporation, shall be guilty of a felony, and upon conviction hereof shall be punished by confinement in the penitentiary for a term of not less than one (1) year nor more than five (5) years.

County court
shall have
jurisdiction
over all
questions
relating to tax

Subdivision 12. The County Court of any County which has assumed lawful jurisdiction over the property of the decedent for general probate of administration purposes under the laws of Colorado, shall have jurisdiction to hear and determine all questions in relation to the tax arising under the provisions of this Act. If no administration or probate proceedings have been taken out in any Court of this State, the County Court of the County in which the decedent was a resident, if the decedent was domiciled in this State, or, if the decedent was not so domiciled, any Court which has or had sufficient jurisdiction over the property the transfer of which is taxable, to have issued probate or administration proceedings thereon had the same been justified by the legal status of such property, or the same been applied for, shall have jurisdiction. The

Venue

County Court first acquiring jurisdiction hereunder shall retain the same to the exclusion of every other.

Court retains jurisdiction

Subdivision 13. If it shall appear to the County Court either from its own knowledge, or upon petition of the Attorney General, that any tax accruing under this Act has not been paid according to law, whether such tax has been previously appraised or assessed or not, or whether or not the estate of the decedent concerned is already pending in such Court, it shall issue a summons summoning the person interested in the property liable to the tax to appear before the Court on a day certain, not more than three (3) months after the date of such summons, to show cause why said tax should not be paid, if appraisement and assessment, or assessment alone, be necessary, the Court shall order the same or complete the same as in ordinary cases, and the procedure thereon and appeal or writ of error therefrom, shall be the same as provided in other cases of appraisement and assessment under this Act. If such be not necessary after the hearing upon return of the summons, either because previously completed and binding upon the parties, or because no tax is due, or for any other reason, then the process, practice and pleadings and the hearing and determination thereof, and the judgment in said Court in said cases and appeal or writ of error, shall be the same as those which follow after the hearing of objections and judgment thereon, as elsewhere provided in this Act, or as near as may be to the same. All summons and notices required in the proceeding under this Act may be served in every respect as now or hereafter provided for summons in Civil Actions in rem. unless otherwise provided.

Court shall summons person liable when tax not paid

Appraisement and assessment

Service of summons and notice

Subdivision 14. Whenever the Attorney General shall be informed of any tax due under any of the provisions of this Act which is unpaid, after the refusal or neglect of the person or persons liable to pay the same within one (1) year from the accrual thereof, and where no bond shall have been given as provided by law, it shall be his duty to file a petition under Subdivision 13 of this Section, and press the same to a final conclusion.

Attorney general proceed to collection of tax after one year of delay

In addition to any other remedy for the collection of inheritance taxes, the State may enforce its claim therefor and the lien thereof by a civil action,

Section 6. Administration of the Law, etc.

in any Court of competent jurisdiction, against any person liable to pay the same, and against any property subject to the lien thereof, and the Attorney General shall be authorized to appear in behalf of the State in any and all inheritance tax matters before any Court of Record. In addition to the authority conferred upon him in Subdivision 7 of Section 3 hereof, the Attorney General may, on his own responsibility, waive in writing, any provision of Subdivision 7 of this Section 6, and, with the consent of the State Treasurer, expressed in writing, may compromise any other tax matters.

Compromise with consent of treasurer

Subdivision 15. The County Judge and County Clerk of each County, shall every three (3) months make a statement in writing to the Attorney General of the property from which, or the person from whom, they, or either of them, have reason to believe a tax under this Act is due and unpaid.

Judge and county clerk report to attorney general every three months

Subdivision 16. The Treasurer of the State shall furnish to each County Judge a book in which he shall enter the return made by Commissioners, the cash value of annuities, life estates and terms of years and other property fixed by him, and the tax assessed thereon, and the amounts of any receipts for payments thereof, filed with him, which book shall be kept in the office of the County Judge as a public record.

County judge keep record of estates

Public record

Subdivision 17. The County Clerk and Recorder of each County shall, on the first day of January and July of each year, make reports to the Attorney General, containing a statement of any conveyance filed or recorded in his office of any property which appears to have been made or intended to take effect in possession or enjoyment at or after death of the grantor or vendor, with the name and place of residence of the vendor or grantor, the name and place of residence of the vendee or grantee, and description of the property transferred, as shown by such instrument. Such County Official shall also furnish to the Attorney General, upon request, all information specifically requested as to any instruments of record in his office.

County recorder make reports of conveyances filed

Subdivision 18. Every Colorado corporation organized for pecuniary profit shall, on the first day of January and July of each year, by its proper officers under oath, make a full and correct report to the At-

Corporations for profit report transfers

torney General of all transfers of its stock made during the preceding year by any person who appears on the books of such corporation as the owner of such stock, when such transfer is made to take effect at or after the death of the owner or transferor, and all transfers which are made by an administrator, executor, trustee, or any person other than the owner or person in whose name the stocks appeared of record on the books of such corporation, prior to the transfer thereof. Such report shall show the name of the owner of such stocks and his place of residence, the name of the person at whose request the stock was transferred, his place of residence, and the authority by virtue of which he acted in making such transfer, the name of the person to whom the transfer was made, and the residence of such person, together with such other information as the officers reporting may have relating to estates of persons deceased who may have been owners of stock in such corporation. If it appears that any such stock so transferred is subject to tax under the provisions of this Act, and the tax has not been paid, the Attorney General shall notify the corporation, in writing, of its liability for the payment thereof, and shall bring suit against such corporation as in other cases herein provided unless payment of the tax is made within sixty (60) days from the date of such notice.

Contents of report

Attorney general notify of liability for tax

Bring suit

Subdivision 19. Any person shall, upon the payment of fifty cents (50c), be entitled to a copy of the receipt from the State Treasurer that may have been given for the payment of any tax or fee under this Act, to be sealed with the seal of his office, which receipt shall designate upon the transfer of what real property, if any, of which any decedent may have died seized, said tax has been paid and by whom paid, and whether or not it is in full of said tax; and said receipt may be recorded in the office of the County Clerk of the County in which the property may be situated in a book to be kept for such purpose.

Copies of receipts from state treasurer obtainable for fee of 50c

Receipts may be recorded

Subdivision 20. The Attorney General may, in any estate pending in any County Court of this State at any time before the final settlement and discharge of the administrator or executor therein, file with the Court a caveat setting forth upon oath the fact that he believes an inheritance tax is due on account of transfers made by the decedent. In every such case in which a

Attorney general file caveat in county court

Executor not discharged until receipts filed

caveat shall have been filed, the County Judge shall not approve the report of the executor or administrator therein, nor discharge him, or them, until a receipt for the payment of the inheritance tax therein has been duly filed in said estate, or the Court has entered a final decree as provided for under Subdivisions 8 and 13 of this Section.

Court appoint guardian for infants, etc.

Subdivision 21. If it appears at any stage of an inheritance tax proceeding that any person known to be interested therein is an infant or person under disability, the County Judge may appoint a special guardian of such infant or person under disability.

Tax upon expectant estate may be agreed upon

Subdivision 22. The Attorney General, by and with the consent of the State Treasurer, expressed in writing, is hereby empowered and authorized to enter into an agreement with the trustees of any estate in which remainders or expectant estates have been of such a nature, or so disposed and circumstanced that the taxes therein were held not presently payable, or where the interests of the legatees or devisees were not ascertainable under an Act entitled "An Act in relation to public revenue and repealing all previous Acts or parts of Acts in conflict therewith" approved March 22nd, 1902, and amendments thereto; and to compound such taxes upon such terms as may be deemed equitable and expedient, and to grant discharge to said trustees upon the payment of the taxes provided for in such composition; Provided, However, that no such composition shall be conclusive, in favor of said trustees as against the interests of such cestuis que trust as may possess either present rights of enjoyment, or fixed, absolute or indefeasible rights of future enjoyment, or of such as would possess such rights in the event of the immediate termination of particular estates, unless they consent thereto, either personally, when competent, or by guardian. Composition or settlement made or effected under the provisions of this Section shall be executed in triplicate, and one (1) copy filed in the office of the State Treasurer, one (1) copy in the office of the County Court wherein the appraisal was had or the tax paid, and one (1) copy delivered to the executors, administrators, or trustees who shall be parties thereto.

Trustees discharged

Settlements executed in triplicate—filing

Subdivision 23. The Attorney General may, with the unanimous approval of the Governor, the State Treasurer, and the Auditor of State, from time to time, enter into arrangements with persons outside of the State of Colorado for the supply of information in regard to transfers taxable under this Act which might otherwise escape collection, or may likewise, with the approval of the above officers, make arrangements for special legal services, or other extraordinary expenses, when considered necessary in connection with the collection of taxes, the liability for which is in dispute. Any vouchers drawn under this Section shall be signed by all officers above named and the Auditor of State shall thereupon draw a warrant upon the State Treasurer against the inheritance tax fund, as provided for the expenses of Commissioner and his Deputies. And there is hereby appropriated from said inheritance tax fund the sum of Two Thousand (\$2,000.00) Dollars per annum, or so much thereof as may be necessary, as a continuing appropriation to pay for such information and service.

Attorney general shall take discretionary action on estate outside of state

Payment of expenses

Appropriation

Section 7. Constitutional Construction Clause.

Subdivision 1. If any section, subsection, sentence, clause or phrase, of this Act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Act. The Legislature hereby declares that it would have passed the Act, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Constitutional construction clause

Section 8. Repealing Section; Saving Clause.

Subdivision 1. Chapter 108, Session Laws of 1929, Chapter 144 of Session Laws of 1921, entitled "An Act to establish and impose a tax on transfers of property by inheritance and intestate laws of the State, by will, or gift, or instrument made in contemplation of death or intended to take effect in possession or enjoyment at or after the death of the maker thereof, providing for the collection of such tax, defining and providing for offenses in relation thereto, making an appropriation to carry out the provisions thereof, and repealing all Acts or parts of Acts in

Repeal

Section 7. Constitutional Construction Clause.
Section 8. Repealing Section; Saving Clause.

Saving
clause

conflict therewith," approved April 11, 1921, excepting Section 30 thereof, and Section 7513 of the Compiled Laws of the State of Colorado, 1921, and all other Acts and parts of Acts in conflict herewith, are hereby repealed; Provided, However, that this Act shall not operate to release or waive or otherwise alter any tax or taxes which may have accrued under the provisions of any prior Act, excepting such tax or taxes, if any, as may have accrued under the provisions of any prior Act upon, or by reason of, a transfer made by a transferor who is living at the date when this Act becomes effective, as to which transfer the provisions of this Act shall govern.

Section 9. Safety Clause.

Safety
clause

Subdivision 1. It is hereby declared that this Act is necessary for the immediate preservation of the public peace, health and safety.

Section 10. Emergency Clause.

Emergency
clause

Subdivision 1. In the opinion of the General Assembly an emergency exists; therefore, this Act shall take effect and be in force from and after its passage.

Section 9. Safety Clause.
Section 10. Emergency Clause.

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