

# MAINE STATE LEGISLATURE

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CHAPTER 553

PROPERTY TAXABLE

Sec.

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§ 3461. Property taxable; exemptions

The following property shall be subject to an inheritance tax for the use of the State:

**1. Real and personal property; joint ownership.** All property within the jurisdiction of this State and any interest therein belonging to inhabitants of this State and all real estate or any interest therein and all tangible personal property within the State belonging to persons who are not inhabitants of this State which shall pass:

**A.** By will, by laws regulating intestate succession or by allowance of a judge of probate,

**B.** By deed, grant, sale or gift except in case of a bona fide purchase for full consideration in money or money's worth, made in contemplation of the death of the grantor or donor, or made or intended to take effect in possession or enjoyment after the death of the grantor or donor to any person in trust or otherwise,

**C.** By survivorship in any form of joint ownership including joint bank deposits in which the decedent joint owner contributed during his lifetime any part of the property held in such joint ownership or of the purchase price thereof, excepting transfers by survivorship described in paragraph D,

**D.** By survivorship in any form of joint ownership, other than joint bank deposits and joint building and loan shares,

whenever created, the value of decedent's interest in such joint ownership to be determined for the purpose of chapters 551 to 573 as provided by section 3632.

1955, c. 430, §§ 1, 2; 1959, c. 210, § 1.

**2. Life insurance.** All proceeds of life insurance policies upon the life of a decedent payable to his estate or to his executors or administrators except, if testate, such part thereof as is bequeathed to a widow or widower, or issue, or, if intestate, such part thereof as descends under Title 18, section 853.

**3. Proceeds of pension and profit sharing plans.** All proceeds of a trust forming a part of a stock bonus, pension or profit sharing plan, or of a nontrusteed annuity plan purchased from an insurance company, which constitutes a "qualified plan" or "qualified trust" under the Internal Revenue Code, or which plan was in existence on or before January 1, 1963, which become payable by reason of the death of the decedent, except for such part thereof as is payable to the widow or widower or issue of the decedent, and except for such part thereof as is payable to his estate or to his executor or administrator to the extent such part, if testate, is bequeathed to the widow, widower or issue, or, if intestate, descends to the widow, widower or issue. As used in this subsection, the term "proceeds" shall not be deemed or construed to include or apply to the proceeds of any life insurance policy payable upon the death of the person insured thereunder.

1963, c. 121.

All property which shall pass to or for the use of societies, corporations and institutions now or hereafter exempted by law from taxation, or to a public corporation, or to any society, corporation, institution or association of persons engaged in or devoted to any charitable, religious, benevolent, educational, public or other like work, pecuniary profit not being its object or purpose, or to any person, society, corporation, institution or association of persons in trust for or to be devoted to any charitable, benevolent, educational or public purpose, or the care or maintenance of cemeteries, cemetery lots or structures therein or thereon, shall be exempted; provided such society, corporation, institution or association is organized and existing under the laws of this State or that the property transferred be limited for use within this State. If such society, corporation, institution or association is organized or existing under the laws of a territory or state of the United States, other than this State, or of a foreign state or country, all property transferred to said society, corporation, institution or association shall be exempted, if at the date

of decedent's death the said state or territory, or foreign state or country under the laws of which said society, corporation, institution or association was organized or existing did not impose a legacy or succession tax or a death tax of any character, in respect of property passing to or for the use of such society, corporation, institution or association organized or existing under the laws of this State, or if at the date of decedent's death the laws of the state or territory or foreign state or country under which said society, corporation, institution or association was organized or existing contained a reciprocal provision under which such passing of property to said society, corporation, institution or association organized or existing under the laws of another state or territory or foreign state or country shall be exempt from legacy or succession or death taxes of every character, providing such other state or territory, or foreign state or country, allowed a similar exemption to such a society, corporation, institution or association organized or existing under the laws of another state or territory or foreign state or country.

R.S.1954, c. 155, § 2; 1955, c. 154; c. 430, §§ 1, 2; 1959, c. 210, § 1; 1963, c. 121.

**§ 3462. Tax on Class A**

Property which shall so pass to or for the use of the following persons who shall be designated as Class A, to wit: Husband, wife, lineal ancestor, lineal descendant, adopted child, stepchild, adoptive parent, wife or widow of a natural or adopted son or husband or widower of a natural or adopted daughter of a decedent, grandchild who is the natural or adopted child of a natural or adopted child of a decedent, shall be subject to a tax upon the value thereof, in excess of the exemption hereinafter provided; of 2% of such value in excess of said exemption as does not exceed \$50,000; of 3% of such value as exceeds said \$50,000 and does not exceed \$100,000; of 4% of such value as exceeds \$100,000 and does not exceed \$250,000; and of 6% of such value as exceeds \$250,000. The value exempt from taxation to or for the use of a husband or wife shall in each case be \$15,000. The value exempt from taxation to or for the use of a father, mother, child, adopted child, stepchild or adoptive parent, or grandchild who is the natural or adopted child of a natural or adopted deceased child of a decedent, shall in each case be \$10,000. If there is more than one such grandchild, their total exemption shall, per stirpes, be \$10,000. The value exempt to or for the use of any other person falling within said Class A, to wit: Grandparent

and other lineal ancestors of remoter degrees, wife or widow of a natural or adopted son, or husband or widower of a natural or adopted daughter of a decedent, grandchild who is the natural or adopted child of a natural or adopted living child of a decedent and other lineal descendants of remoter degrees, shall in each case be \$500.

R.S.1954, c. 155, § 3; 1959, c. 290, § 1.

**§ 3463. Tax on Class B**

Property which shall so pass to or for the use of the following persons who shall be designated as Class B, to wit: Brother, half-brother, sister, half-sister, uncle, aunt, nephew, niece, grand-nephew, grandniece or cousin of a decedent shall be subject to a tax upon the value thereof, in excess of an exemption of \$500; of 8% of such value in excess of said exemption as does not exceed \$25,000; of 9% of such value as exceeds \$25,000 and does not exceed \$100,000; of 10% of such value as exceeds \$100,000 and does not exceed \$250,000; and of 12% of such value as exceeds \$250,000.

R.S.1954, c. 155, § 4.

**§ 3464. Tax on Class C**

Property which shall so pass to or for the use of any person not falling within either of the classes hereinbefore set forth shall be subject to a tax upon the value thereof, in excess of an exemption of \$500; of 12% of such value in excess of said exemption as does not exceed \$50,000; of 14% of such value as exceeds \$50,000 and does not exceed \$100,000; of 16% of such value as exceeds \$100,000 and does not exceed \$250,000; and of 18% of such value as exceeds \$250,000.

R.S.1954, c. 155, § 5; 1959, c. 290, § 2.

**§ 3465. All property deemed single interest**

All property and interests therein which shall pass from a decedent to the same beneficiary by any one or more of the methods specified and all beneficial interests which shall accrue in the manner provided to such beneficiary on account of the death of such decedent shall be united and treated as a single interest for the purpose of determining the tax hereunder.

R.S.1954, c. 155, § 6.



**§ 3466.    General powers of appointment**

For all purposes of chapters 551 to 573, an unconditional general power of appointment shall be regarded as absolute ownership of the interest in property subject to the power. By unconditional general power of appointment is intended a power which may be exercised at the pleasure of the holder in favor of himself, his estate or his creditors.

1957, c. 181.

**§ 3467.    Nonresidents; deductions**

In the case of the estate of a nonresident the net estate for the purpose of the taxes imposed by chapters 551 to 573 shall be ascertained by deducting from the gross estate the following items:

- 1. Probate fees.** Fees of the probate court;
- 2. Advertising expenses.** Advertising expenses incidental to administration in this State;
- 3. Appraiser fees.** Fees paid to appraisers for appraising property within this State;
- 4. Fiduciary bond.** Expenses incurred in connection with procuring a fiduciary's bond filed in the probate court in this State;
- 5. Compensation of executor.** Reasonable compensation of executors and administrators and their statutory agents qualifying as such in the Maine probate court and reasonable fees for Maine attorneys;
- 6. Mortgages unpaid.** The amount at the date of the decedent's death of all unpaid mortgages upon real or tangible personal property situated within this State, which mortgages were not deducted in the appraisal of the property mortgaged;
- 7. Taxes unpaid.** Unpaid taxes and special assessments upon real or tangible personal property situated within this State which were a lien at the date of the decedent's death;
- 8. Federal estate tax.** The federal estate tax, if any, multiplied by a fraction, the numerator of which is the value of the real and tangible personal property in Maine, subject to the federal estate tax and the denominator the value of the gross estate, wherever situated, subject to the federal estate tax;

1959, c. 224, § 2.

**9. Debts of decedent.** Debts of the decedent, and other deductions allowed resident estates, shall be allowed nonresident estates only when and to the extent that it is necessary to pay the amounts of such deductions from the proceeds of sale of real property or tangible personal property in Maine or directly by the transfer of such property.

R.S.1954, c. 155, § 30; 1959, c. 224, § 2.

**§ 3468. —Exemptions**

In nonresident estates the value of the property exempt from taxation under sections 3461 to 3466 shall be only such proportion of the whole exempted amount as the estate of the nonresident taxable in this State bears to the total estate wherever situated.

R.S.1954, c. 155, § 7; 1959, c. 363, § 48.

**§ 3469. Bequests to executors or trustees**

Whenever a testator gives, bequeaths or devises to his executors or trustees any property otherwise liable to the tax imposed by chapters 551 to 567, in lieu of their compensation, the value thereof in excess of reasonable compensation, as determined by the probate court having jurisdiction of their accounts, shall be subject to the tax imposed by chapters 551 to 567.

R.S.1954, c. 155, § 8.

**§ 3470. Transfer in contemplation of death**

Any deed, grant or gift completed inter vivos, except in cases of bona fide purchase for full consideration in money or money's worth, made not more than 6 months prior to the death of the grantor or donor, shall prima facie be deemed to have been made in contemplation of the death of the grantor or donor. Notwithstanding any provision of section 3461, no deed, grant or gift made more than 2 years prior to the death of the grantor or donor shall be subject to a tax hereunder unless made or intended to take effect in possession or enjoyment after the death of the grantor or donor.

R.S.1954, c. 155, § 9.