

MAINE STATE LEGISLATURE

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EIGHTY-SECOND LEGISLATURE

H. P. No. 1059

H. D. No. 289

House of Representatives, March 6, 1925.

Referred to Committee on Legal Affairs and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Nichols of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND TWENTY-FIVE

AN ACT to Amend Sections One, Nine, Eleven, Twenty-five and Twenty-six of Chapter Sixty-nine of the Revised Statutes, relating to Succession Taxes.

Be it enacted by the People of the State of Maine, as follows:

Section 1. Section one of chapter sixty-nine of the re-
2 vised statutes, as amended by chapter two hundred sixty-six
3 of the public laws of nineteen hundred seventeen and chap-
4 ter one hundred eighty-seven of the public laws of nineteen
5 hundred nineteen, is hereby further amended by striking out
6 in the sixth and seventh lines of said section, the following
7 words, "and except as herein otherwise provided," and in-
8 serting after the word "grantor" in the eighth line of said

9 section the following, 'or by deed, grant, sale or gift made
10 in contemplation of death of the grantor, vendor or donor,
11 (and all grants or gifts made within two years next pre-
12 ceding the death of the decedent shall be deemed prime
13 facie to have been made in contemplation of death) and
14 any beneficial interest in any and all property, which shall
15 arise or accrue by survivorship in any form of joint owner-
16 ship in which the decedent joint owner contributed during
17 his life any part of the property held in such joint owner-
18 ship or of the purchase price thereof,' and also by striking
19 out the following sentence at the end of said section, "Ad-
20 ministrators, executors and trustees, and any grantees under
21 such conveyances made during the grantor's life shall be
22 liable for such taxes, with interest, until the same have been
23 paid," and inserting in place thereof the following, 'All
24 property and interests therein which shall pass from a de-
25 cedent to the same beneficiary by any one or more of the
26 methods hereinbefore specified and all beneficial interests
27 which shall accrue in the manner hereinbefore provided to
28 such beneficiary on account of the death of such decedent
29 shall be united and treated as a single interest for the pur-
30 pose of determining the tax hereunder,' so that said sec-
31 tion, as amended, shall read as follows:

'Section 1. All property within the jurisdiction of this
2 state, and any interest therein, whether belonging to inhabi-
3 tants of this state or not, and whether tangible or intangible,
4 which shall pass by will, by the intestate laws of this state,

5 by allowance of a judge of probate to a widow or child, by
6 deed, grant, sale or gift, except in cases of a bona fide pur-
7 chase for full consideration in money or money's worth,
8 made or intended to take effect in possession or enjoyment
9 after the death of the grantor, or by deed, grant, sale or
10 gift made in contemplation of death of the grantor, vendor
11 or donor, (and all grants or gifts made within two years
12 next preceding the death of the decedent shall be deemed
13 prime facie to have been made in contemplation of death),
14 and any beneficial interest in any and all property, which
15 shall arise or accrue by survivorship in any form of joint
16 ownership in which the decedent joint owner contributed
17 during his life any part of the property held in such joint
18 ownership or of the purchase price thereof, to any person
19 in trust or otherwise, except to or for the use of any edu-
20 cational, charitable, religious or benevolent institution in this
21 state, shall be subject to an inheritance tax for the use of
22 the state as hereinafter provided. Property which shall so
23 pass to or for the use of (Class A) the husband, wife,
24 lineal ancestor, lineal descendant, adopted child, the adop-
25 tive parent, the wife or widow of a son, or the husband of
26 a daughter of a decedent, shall be subject to a tax upon
27 the value of each bequest, devise or distributive share, in
28 excess of the exemption hereafter provided, of one per cent
29 if such value does not exceed fifty thousand dollars, one
30 and one-half per cent if such value exceeds fifty thousand
31 dollars and does not exceed one hundred thousand dollars,

32 and two per cent if such value exceeds one hundred thou-
33 sand dollars; the value exempt from taxation to or for the
34 use of a husband, wife, father, mother, child, adopted child
35 or adoptive parent shall in each case be ten thousand dollars,
36 and the value exempt from taxation to or for the use of
37 any other member of (Class A) shall in each case be five
38 hundred dollars. Property which shall so pass to or for
39 the use of (Class B) a brother, sister, uncle, aunt, nephew,
40 niece or cousin of a decedent, shall be subject to a tax upon
41 the value of each bequest, devise or distributive share in
42 excess of five hundred dollars, and the tax of this class
43 shall be four per cent of its value for the use of the state
44 if such value does not exceed fifty thousand dollars, four
45 and one-half per cent if its value exceeds fifty thousand
46 dollars and does not exceed one hundred thousand dollars,
47 and five per cent if its value exceeds one hundred thousand
48 dollars. Property which shall pass to or for the use of any
49 other than members of Class A, Class B and the institutions
50 excepted in the first sentence of this section, shall be sub-
51 ject to a tax upon the value of each bequest, devise or dis-
52 tributive share in excess of five hundred dollars, and the
53 tax of this class shall be five per cent of its value for the
54 use of the state if such value does not exceed fifty thousand
55 dollars, six per cent if its value exceeds fifty thousand dol-
56 lars and does not exceed one hundred thousand dollars and
57 seven per cent if its value exceeds one hundred thousand
58 dollars. All property and interests therein which shall pass

59 from a decedent to the same beneficiary by any one or more
60 of the methods hereinbefore specified and all beneficial in-
61 terests which shall accrue in the manner hereinbefore pro-
62 vided to such beneficiary on account of the death of such
63 decedent shall be united and treated as a single interest for
64 the purpose of determining the tax hereunder.'

Sect. 2. Section nine of chapter sixty-nine of the revised
2 statutes is hereby amended by inserting after the word,
3 "upon" in the second line of said section the words, 'resi-
4 dents and upon,' and by inserting after the word "upon" in
5 the fourth line of said section the words, 'non-residents and
6 upon,' and by striking out the word "or" in the fifth line
7 and inserting after the word "trustees" in said fifth line,
8 the words 'grantees or donees'; also by striking out the
9 word "two" in the sixth line of said section and inserting
10 in place thereof the word 'one,' and by striking out in the
11 seventh line the word "two" and inserting in place thereof
12 the word 'one,' and by striking out in the sixteenth line of
13 said section the word "two" and inserting in place thereof
14 the word 'one,' so that said section, as amended, shall read
15 as follows:

'Sect. 9. All taxes imposed by section one upon residents
2 and upon the estates of deceased residents of this state shall
3 be payable to the treasurer of state, and all taxes imposed
4 by said section one upon non-residents and upon the estates
5 of non-resident decedents, to the attorney general, by the
6 executors, administrators, trustees, grantees or donees at

7 the expiration of one year after the granting of letters
8 testamentary or of administration; but if legacies or distri-
9 butive shares are paid within one year, the tax thereon shall
10 be payable at the same time; and if the same are not so
11 paid, interest at the rate of six per cent a year shall be
12 charged and collected from the time the same became pay-
13 able; but no such tax upon estates of residents or inhabi-
14 tants of this state shall be accepted except upon presentation
15 of a certificate from a probate court showing the amount
16 of such tax due. It shall be the duty of the personal repre-
17 sentative of said deceased to petition the probate court hav-
18 ing jurisdiction to assess such taxes before the payment of
19 any such legacies or distributive shares, and before the
20 expiration of one year after the granting of letters afore-
21 said. The register of probate shall send by mail, a copy of
22 such petition to the attorney general at least seven days
23 before the hearing thereon unless the attorney general in
24 writing waives the same.'

Sect. 3. Section eleven of chapter sixty-nine of the re-
2 vised statutes, is hereby amended by inserting before the
3 word "after" in the first line of said section, the following
4 words, 'Administrators, executors and trustees of estates
5 of deceased persons, grantees or donees under conveyances
6 or gifts made during the life of the grantor or donor, and
7 persons to whom beneficial interests shall accrue by sur-
8 vivorship, shall be liable for the taxes imposed by this
9 chapter, with interest, until the same have been paid,' and

10 by striking out in the second line of said section the follow-
11 ing words, "as provided in section nine"; also by striking
12 out in the sixth line of said section the word "or" after the
13 word "executor," and by adding after the word "trustee"
14 in said sixth line, the word 'donee,' and by adding at the
15 end of said section the following, 'Taxes imposed by this
16 chapter upon property or interests therein, passing by deed,
17 grant or gift to take effect in possession or enjoyment after
18 the death of the grantor or donor, or upon beneficial in-
19 terests arising or accruing by survivorship in any form of
20 joint ownership, shall be payable by the grantee, donee or
21 survivor at the expiration of one year from the date when
22 his right of possession or enjoyment accrues. Taxes im-
23 posed by this chapter upon property or interests therein
24 passing by deed, grant or gift made in contemplation of
25 death shall be payable by the grantee or donee at the ex-
26 piration of one year after the death of the grantor or donor.'
27 so that said section, as amended, shall read as follows:

'Sect. II. Administrators, executors and trustees of es-
2 tates of deceased persons, grantees or donees under con-
3 veyances or gifts made during the life of the grantor or
4 donor, and persons to whom beneficial interests shall accrue
5 by survivorship, shall be liable for the taxes imposed by this
6 chapter, with interest, until the same have been paid. After
7 failure to pay such tax, such an administrator, executor or
8 trustee is liable to the state on his administration bond for
9 such tax and interest, and an action shall lie thereon with-

10 out the authority of the judge of probate; or an action of
11 debt may be maintained in the name of the state against
12 any such administrator, executor, trustee, donee, or any such
13 grantee, for such tax and interest. But if such adminis-
14 trator, executor or trustee, after being duly cited therefor,
15 refuses or neglects to return his inventory or to settle an
16 account, by reason whereof the judge of probate cannot
17 determine the amount of such tax, such administrator, exe-
18 cutor or trustee shall be liable to the state on his adminis-
19 tration bond for all damages occasioned thereby. Taxes
20 imposed by this chapter upon property or interests therein,
21 passing by deed, grant or gift to take effect in possession
22 or enjoyment after the death of the grantor or donor, or
23 upon beneficial interests arising or accruing by survivor-
24 ship in any form of joint ownership, shall be payable by the
25 grantee, donee or survivor at the expiration of one year
26 from the date when his right of possession or enjoyment
27 accrues. Taxes imposed by this chapter upon property or
28 interests therein passing by deed, grant or gift made in
29 contemplation of death shall be payable by the grantee or
30 donee at the expiration of one year after the death of
31 the grantor or donor.'

Sect. 4. Section twenty-five of chapter sixty-nine of the
2 revised statutes, is hereby amended by striking out in the
3 first line of said section the following, "Subject to the pro-
4 visions of the preceding section," and by striking out in
5 the eighth and ninth lines of said section, the words, "Sub-

6 ject to the provisions of said section," so that said section,
7 as amended, shall read as follows:

'Sect. 25. If a foreign executor, administrator or trustee
2 assigns or transfers any stock in any national bank located
3 in this state or in any corporation organized under the laws
4 of this state, owned by a deceased non-resident at the date
5 of his death and liable to a tax under the provisions of this
6 chapter, the tax shall be paid to the attorney general at the
7 time of such assignment or transfer; and if it is not paid
8 when due, such executor, administrator or trustee shall be
9 personally liable therefor until it is paid. A bank located
10 in this state or a corporation organized under the laws of
11 this state which shall record a transfer of any share of its
12 stock made by a foreign executor, administrator or trustee,
13 or issue a new certificate for a share of its stock at the
14 instance of a foreign executor, administrator or trustee
15 before all taxes imposed thereon by the provisions of this
16 chapter have been paid, shall be liable for such tax in an
17 action of debt brought by the attorney general.'

Sect. 5. Section twenty-six of chapter sixty-nine of the
2 revised statutes is hereby amended by striking out the words,
3 "Subject to the provisions of section twenty-four" in the
4 first line of said section, and by striking out the word,
5 "receive," in the third line of said section and inserting in
6 place thereof the words 'deliver or transfer,' and by striking
7 out the words, "a probate court," in the fourth line of said
8 section and inserting in place thereof the words, 'the at-

9 torney general,' so that said section, as amended, shall read
10 as follows:

'Sect. 26. No person or corporation shall deliver or trans-
2 fer any securities or assets belonging to the estate of a non-
3 resident decedent to anyone unless authority to deliver or
4 transfer the same shall have been given by the attorney
5 general of this state, upon satisfactory evidence that all
6 inheritance taxes provided for by this chapter have been
7 paid, guaranteed or secured as hereinbefore provided. Any
8 person or corporation that delivers or transfers any securi-
9 ties or assets in violation of the provisions of this section
10 shall be liable for such tax in an action of debt brought by
11 the attorney general.'