

**TAXATION OF
COLLATERAL
INHERITANCES,
STATE OF IOWA**

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Taxation of Collateral Inheritances, State of Iowa by Q. A. Willis

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Q. A. WILLIS

**TAXATION OF
COLLATERAL
INHERITANCES,
STATE OF IOWA**

Iowa. Laws, Statutes, etc. Tax Law
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TAXATION Arthur J. Mellman,
Malden, Mass.

— OF —

Collateral Inheritances

STATE OF IOWA

Provisions of the Iowa Inheritance and Transfer Tax Laws.

A decision of the United States Supreme Court as to the effect of treaty stipulations in the collection of such a tax from aliens, with an Analysis of the opinion and excerpts from such Treaties now existing between the United States and Foreign Countries

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TREASURER OF STATE

Compiled by
Q. A. WILLIS
Deputy State Treasurer

DES MOINES
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1911

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IOWA INHERITANCE AND TRANSFER TAX LAW

STATE OF IOWA,
TREASURY DEPARTMENT,
Des Moines.

This pamphlet contains the inheritance and transfer tax law passed by the Thirty-fourth General Assembly.

In its scope it is not much different from the law repealed, but it is materially different in some of its provisions, is much more specific and more easily understood. Some new features have been added, the most notable will be found in Sections 4, 9, 14, 15, 16, 29, 39, 43 and 45.

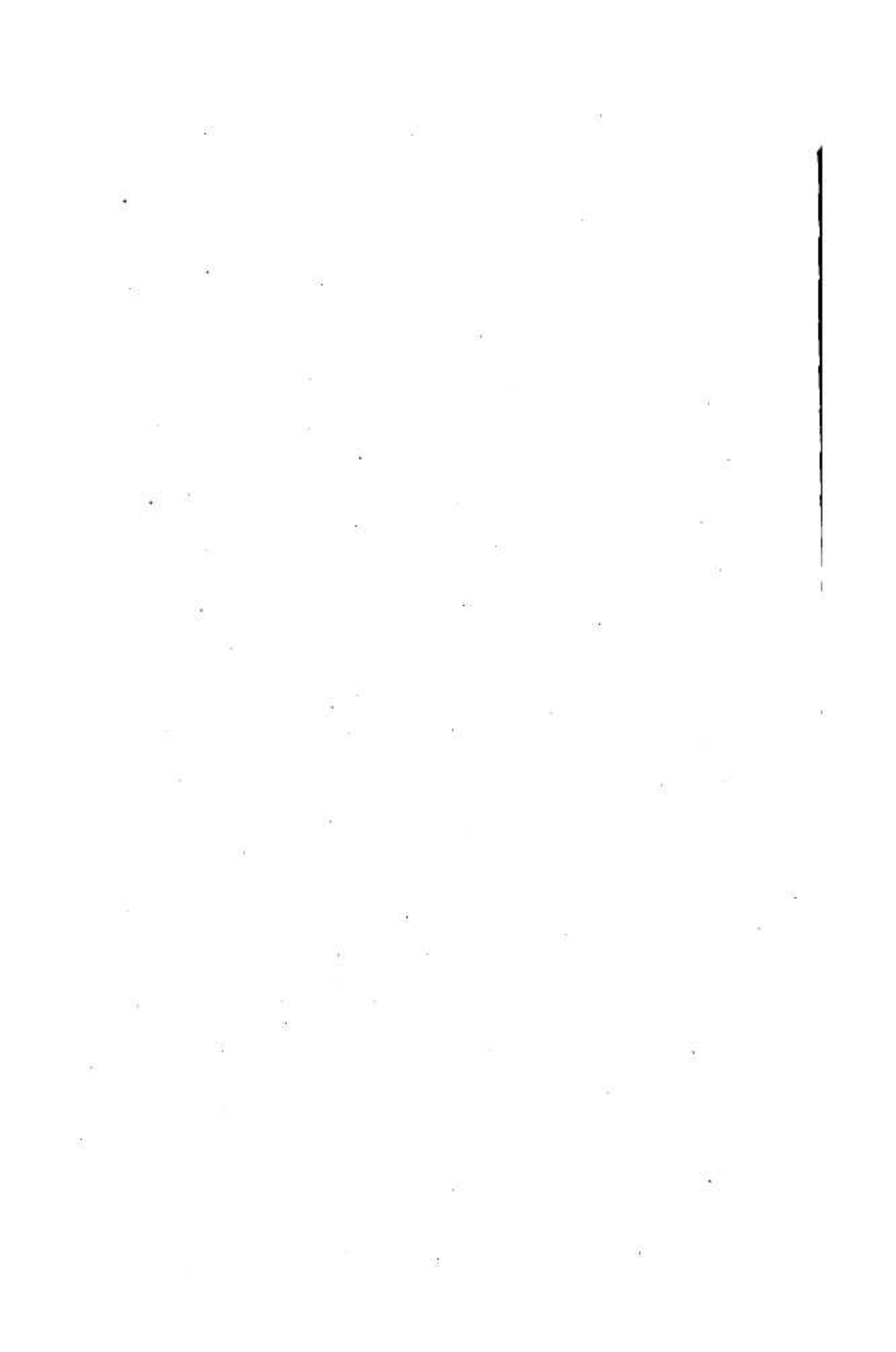
Under this law the *clerks* must report all estates liable for a tax and receive a fee therefor, Section 32. The fees allowed county attorneys for legal service will be more than for the same service under the old law, but limited to fifty dollars in any estate except in cases of litigation.

A careful study of the law will be of benefit to all. Clerks, county attorneys and appraisers should give it unusual attention that a more uniform enforcement may result.

This department cannot attempt to answer here, the many questions as to the law, and the collection of the tax, but will gladly reply to any inquiry that may reach us, with such information as we may be able to give.

Sept. 15, 1911.


Treasurer of State.



TAXATION

OF

Collateral Inheritances and Transfers

AN ACT RELATING TO THE ASSESSMENT AND COLLECTION OF A TAX UPON COLLATERAL ESTATES, ANNUITIES, LEGACIES, BEQUESTS, GIFTS, TRANSFERS, AND INHERITANCES, AND REPEALING THE LAW AS IT APPEARS IN CHAPTER FOUR (4), OF TITLE SEVEN (7), OF THE SUPPLEMENT TO THE CODE, 1907, AND CHAPTER NINETY-TWO (92) OF THE ACTS OF THE THIRTY-THIRD (33) GENERAL ASSEMBLY AND TO ENACT A SUBSTITUTE THEREFOR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. *Estates liable and rate of tax*—The estates of all deceased persons, whether they be inhabitants of this state or not, and whether such estate consist of real, personal or mixed property, tangible or intangible, and any interest in, or income from any such estate or property, which property is, at the death of the decedent owner, within this state or is subject to, or thereafter, for the purpose of distribution, is brought within this state and becomes subject to the jurisdiction of the courts of this state, or the property of any decedent, domiciled within this state at the time of the death of such decedent, even though the property of such decedent so domiciled was situated outside of the state, except real estate located outside of the state passing in fee from the decedent owner, which shall pass by will or by the statutes of inheritance of this or any other state or country, or by deed, grant, sale, gift, or transfer made in contemplation of the death of the donor, or made or intended to take effect in possession or enjoyment after the death of the grantor or donor, to any person, or for any use in trust or otherwise, other than to or for the use of persons, or uses exempt by this act shall be subject to a tax of five (5) per centum; provided, however, that when property or any interest therein shall pass to heirs, devisees or other beneficiaries subject to the tax imposed by this act who are aliens, non-residents of the United States, the same shall be subject to a tax of twenty (20) per centum of its true value except when such foreign beneficiaries are brothers or sisters of the decedent owner, when the rate of tax to be assessed and collected therefrom shall be ten (10) per centum of the value of the property or interest so passing. Any person beneficially entitled to any property or interest therein because of any such gift, legacy, devise, annuity, transfer or inheritance, and all administrators, executors, referees and trustees,

and any such grantee under a conveyance, and any such donee under a gift, and any such legatee, annuitant, devisee, heir or beneficiary, shall be respectively liable for all such taxes to be paid by them respectively. The tax aforesaid shall be for the use of the state, shall accrue at the death of the decedent owner, and shall be paid to the treasurer of state within eighteen (18) months thereafter, except when otherwise provided in this act, and shall be and remain a legal charge against and a lien upon such estate, and any and all of the property thereof from the death of the decedent owner until paid.

Sec. 2. *Exceptions*—The tax imposed by this act shall not be collected,

1st—When the entire estate of the decedent does not exceed the sum of One Thousand Dollars (\$1,000.00) after deducting the debts as defined in this act.

2nd—When the property passes to the husband or wife.

3rd—When the property passes to the father, mother, lineal descendant, adopted child, or the lineal descendant of an adopted child of decedent.

4th—When the property passes to educational and religious societies or institutions, public libraries and public art galleries within this state and open to the free use of the public.

5th—Property passing to or for hospitals within this state open to the public, and not operated for gain, or to societies within this state organized for purposes of public charity, including cemetery associations, but not including societies maintained by fees, dues, or assessments in whose benefits the public may not share.

6th—Bequests for the care and maintenance of the cemetery or burial lot of decedent and his family, and bequests not to exceed Five Hundred Dollars (\$500.00) in any estate, to or for the performance of a religious service or services by some person regularly ordained, authorized or licensed by any religious society to perform such service to be performed for or in behalf of the testator, or some person named in his last will, provided such person so named is, or would be exempt from the tax imposed by this act.

7th—When the property passes to a municipal or political corporation within this state for a purely public purpose.

Sec. 3. *"Debts" defined*—The term "debts" as used in this act shall include, in addition to debts owing by the decedent at the time of his death, the local or state taxes due from the estate in January of the year of his death, a reasonable sum for funeral expenses, court costs, the cost of appraisement made for the purpose of assessing the collateral inheritance tax, the statutory fee of executors, administrators, or trustees estimated upon the appraised value of the property, the amount paid by the executor or administrator for a bond, the attorney fee in a reasonable amount to be approved by the court for the ordinary probate proceedings in said estate, and no other sum; but said debts shall not be deducted unless the same are approved and allowed by the court within eighteen (18) months from the death of the decedent, as established claims against the estate, unless otherwise ordered by the judge or court of the proper county.

Sec. 4. *Administrator appointed on application of treasurer of state—non-resident administrator or executor to file bond.* If, upon the death of any person leaving an estate that may be liable to a tax under the provisions of this act, a will disposing of such estate is not offered for probate, or an application for administration made within four months from the time of such decease, the treasurer of state may, at any time thereafter, make application to the proper court, setting forth such fact and praying that an administrator may be appointed, and thereupon said court shall appoint an administrator to administer upon such estate. When the heirs or persons entitled to inherit the property of an estate subject to the tax hereby imposed, desire to avoid the appointment of an administrator as provided in this section, they or one of them, shall, before the expiration of four months from the death of the decedent file under oath the inventories and reports and perform all the duties required by this act, of administrators, including the filing of the lien; proceedings for the collection of the tax when no administrator is appointed, shall conform as nearly as may be to the provisions of this act in other cases.

A non-resident of this state shall not be appointed as executor, administrator or trustee of any estate that may be subject to the tax imposed by this act, unless such non-resident first file a bond conditioned upon the payment of all tax, interest and costs for which the estate may be liable, such bond to be signed by not less than two resident freeholders or by an approved surety company and in an amount not less than twenty-five per cent (25 per cent) of the total value of the estate, or of the property within this state, if the estate is a foreign estate.

Sec. 5. *Appraisers—when appointed—term—removal—vacancies.* In each county, the court shall annually, at the first term of the court therein, appoint three competent residents and freeholders of said county, to act as appraisers of all property within its jurisdiction which is charged or sought to be charged with the collateral inheritance tax. Said appraisers shall serve for one year, and until their successors are appointed and qualified. They shall each take an oath to faithfully and impartially perform the duties of the office, but shall not be required to give bond. They shall be subject to removal at any time at the discretion of the court, and the court or judge thereof in vacation, may also in its discretion, either before or after the appointment of the regular appraisers, appoint other appraisers to act in any given case. Vacancies occurring otherwise than by expiration of term, shall be filled by the appointment of the court or by a judge in vacation. No person interested in any manner in the estate to be appraised may serve as an appraiser of such estate.

Sec. 6. *Issuance of commissions to appraisers.* Whenever it appears that an estate or any property or interest therein is or may be subject to the tax imposed by this act, the clerk shall issue a commission to the appraisers, who shall fix a time and place for appraisement, except that if the only interest that is subject to such tax is a remainder or deferred interest upon which the tax is not payable until the determination of a prior estate or interest for life or term of years, he shall not issue such commission until the determination of such prior estate, except at the request of parties in interest who desire to remove the lien thereon.