



# ASSEMBLY, No. 440

(P. L. 1927, Chap. 228, Page 428)

## STATE OF NEW JERSEY

INTRODUCED MARCH 12, 1929

By Miss HAINES

Referred to Committee on Corporations

AN ACT to amend an act entitled "An act to tax the transfer of property of resident and nonresident decedents, by devise, bequest, descent, distribution by statute, gift, deed, grant, bargain and sale, in certain cases," approved April twentieth, one thousand nine hundred and nine.

1 BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1 1. Section one of the act to which this act is an amendment is hereby amended  
1½ to read as follows:

2 1. A tax shall be and is hereby imposed upon the transfer of any property,  
3 real or personal, of the value of five hundred dollars (\$500) or over, or of any  
4 interest therein or income therefrom, in trust or otherwise, to persons or corpora-  
5 tions, except as hereinafter provided, in the following cases:

6 First. When the transfer is by will or by intestate laws of this State from  
7 any person dying seized or possessed of the property while a resident of the State.

8 Second. When the transfer is by will or intestate law of real property within this  
9 State or of goods, wares and merchandise within this State, and the decedent was a  
10 nonresident of the State at the time of his death.

11 Third. When the transfer is of property made by a resident, or is of real  
12 property within this State, or of goods, wares and merchandise within this State,  
13 made by a nonresident, by deed, grant, bargain, sale or gift made in contemplation  
14 of the death of the grantor, vendor or donor, or intended to take effect in posses-  
15 sion or enjoyment at or after such death. Every transfer by deed, grant, bargain,

16 sale or gift, made within two years prior to the death of the grantor, vendor or  
17 donor, of a material part of his estate, or in the nature of a final disposition or  
18 distribution thereof and without an adequate valuable consideration, shall in the  
19 absence of proof to the contrary, be deemed to have been made in contemplation of  
20 death within the meaning of this section.

21 Fourth. When any person or corporation comes into the possession or enjoy-  
22 ment, by a transfer from a resident or from a nonresident decedent, when such  
23 nonresident decedent's property consists of real property within this State or of  
24 goods, wares and merchandise within this State, of an estate in expectancy of any  
25 kind or character which is contingent or defeasible, transferred by an instrument  
26 taking effect after the passage of this act, or of any property transferred pursuant  
27 to a power of appointment contained in any instrument taking effect after the pas-  
28 sage of this act.

29 Fifth. Whenever property, real or personal, is held in the joint names of two  
30 or more persons, or is deposited in banks or other institutions or depositories in  
31 the joint names of two or more persons and payable to either or the survivor, upon  
32 the death of one of such persons, the right of the surviving joint tenant or joint  
33 tenants, person or persons, to the immediate ownership or possession and enjoyment  
34 of such property shall be deemed a transfer taxable under the provisions of this act  
35 in the same manner as though the whole property to which such transfer relates  
36 belonged absolutely to the deceased joint tenant or joint depositor and had been  
37 devised or bequeathed to the surviving joint tenant or joint tenants, person or per-  
38 sons, by such deceased joint tenant or joint depositor by will, excepting therefrom  
39 such part thereof as may be proved to the satisfaction of the Comptroller of the  
40 Treasury by the surviving joint tenant or joint tenants, person or persons, to have  
41 originally belonged to him or them and never to have belonged to the decedent;  
42 *provided, however,* that in case of a nonresident decedent this paragraph shall apply  
43 only to real property within this State or goods, wares and merchandise within this  
44 State.

45 All taxes imposed by this act shall be at the respective rates hereinafter speci-  
46 fied upon the clear market value of such property to be paid to the treasurer of  
47 the State of New Jersey, for the use of said State, and all administrators, execu-

48 tors, trustees, grantees, donees or vendees, shall be personally liable for any and all  
49 such taxes until the same shall have been paid as hereinafter directed, for which an  
50 action of debt shall lie in the name of the State of New Jersey. In determining the  
51 clear market value of **such property** the following deductions and no others shall be  
52 allowed: Debts of the decedent owing at the date of death; *provided, however,*  
53 that in the case of a resident decedent there shall not be allowed a debt of said  
54 resident decedent owing for or secured by property outside of this State except  
55 when the property for which the debt is owing or for which it is secured is subject  
56 to the tax imposed by this act, or except when the foreign debt exceeds the value  
57 of the property securing it or for which it was contracted, when the excess may be  
58 deducted, a reasonable sum for funeral expenses and last illness, such proportion of  
59 the State, county and municipal taxes for the current fiscal year upon the property  
60 as the elapsed portion of the said year bears to a full calendar year, the ordinary  
61 expenses of administration, including the ordinary fees allowed executors and  
62 administrators and the ordinary fees of their attorneys, and transfer taxes paid or  
63 payable to other States or territories or the District of Columbia or foreign gov-  
64 ernments on any property the transfer of which is taxable hereunder; *provided,*  
65 *further, however,* the amount due or paid the Government of the United States as  
66 a Federal estate tax shall not be considered as an expense of administration and  
67 shall not be allowed as a deduction.

68-72 The following property shall be exempt from taxation under this act, *viz.:*

73 (a) Property passing to or for the use of the State of New Jersey, or to or  
74 for the use of a municipal corporation within the State of New Jersey, or other  
75 political subdivision thereof, for exclusively public purposes;

76 (b) Property passing to a beneficiary or beneficiaries having any present or  
77 future, vested, contingent or defeasible interest under any trust deed or agreement  
78 heretofore or hereafter executed by a resident or nonresident decedent, to the extent  
79 that the trust fund results from the proceeds of contracts of insurance heretofore  
80 or hereafter in force, insuring the life of such decedent and paid or payable, at or  
81 after the death of such decedent, to the trustee or trustees under such trust deed  
82 or agreement;

83 (c) Property passing to a trustee or trustees of any trust deed or agreement  
84 heretofore or hereafter executed, by virtue of any contract of insurance heretofore  
85 or hereafter in force insuring the life of a resident or nonresident decedent and the  
86 proceeds of which are paid or payable at or after the death of such decedent to such  
87 trustee or trustees for the benefit of a beneficiary or beneficiaries having any present  
88 or future, vested, contingent or defeasible interest under such trust deed or agree-  
89 ment.

90 Property passing to churches, hospitals and orphan asylums, public libraries,  
91 Bible and tract societies, religious, benevolent and charitable institutions and organi-  
92 zations shall be taxed at the rate of five per centum.

93 Property passing to a brother or sister of a decedent, wife or widow of a son  
94 of a decedent, or the husband of a daughter of a decedent, shall be taxed at the  
95 rate of five per centum on any amount up to three hundred thousand dollars  
96 (\$300,000);

97 Six per centum on any amount in excess of three hundred thousand dollars  
98 (\$300,000), up to seven hundred thousand dollars (\$700,000);

99 Seven per centum on any amount in excess of seven hundred thousand dollars  
100 (\$700,000), up to nine hundred thousand dollars (\$900,000);

101 Nine per centum on any amount in excess of nine hundred thousand dollars  
102 (\$900,000), up to one million one hundred thousand dollars (\$1,100,000);

103 Eleven per centum on any amount in excess of one million one hundred thou-  
104 sand dollars (\$1,100,000), up to one million four hundred thousand dollars (\$1,-  
105 400,000);

106 Thirteen per centum on any amount in excess of one million four hundred  
107 thousand dollars (\$1,400,000), up to one million seven hundred thousand dollars  
108 (\$1,700,000);

109 Fourteen per centum on any amount in excess of one million seven hundred  
110 thousand dollars (\$1,700,000), up to two million two hundred thousand dollars  
111 (\$2,200,000);

112 Sixteen per centum on any amount in excess of two million two hundred  
113 thousand dollars (\$2,200,000).

114 Property passing to a father, mother, husband, wife, child or children of a  
115 decedent, or to any child or children adopted by the decedent in conformity with

116 the laws of this State, or of any of the United States, or of any foreign kingdom,  
117 or nation, or the issue of any child or legally adopted child of a decedent, shall  
118 be taxed at the rate of one per centum on any amount in excess of five thousand  
119 dollars (\$5,000), up to fifty thousand dollars (\$50,000);

120 Two per centum on any amount in excess of fifty thousand dollars (\$50,000),  
121 up to one hundred thousand dollars (\$100,000);

122 Three per centum on any amount in excess of one hundred thousand dollars  
123 (\$100,000), up to one hundred and fifty thousand dollars (\$150,000);

124 Four per centum on any amount in excess of one hundred and fifty thousand  
125 dollars (\$150,000), up to two hundred thousand dollars (\$200,000);

126 Five per centum on any amount in excess of two hundred thousand dollars  
127 (\$200,000), up to three hundred thousand dollars (\$300,000);

128 Six per centum on any amount in excess of three hundred thousand dollars  
129 (\$300,000), up to five hundred thousand dollars (\$500,000);

130 Seven per centum on any amount in excess of five hundred thousand dollars  
131 (\$500,000), up to seven hundred thousand dollars (\$700,000);

132 Eight per centum on any amount in excess of seven hundred thousand dollars  
133 (\$700,000), up to nine hundred thousand dollars (\$900,000);

134 Nine per centum on any amount in excess of nine hundred thousand dollars  
135 (\$900,000), up to one million one hundred thousand dollars (\$1,100,000);

136 Ten per centum on any amount in excess of one million one hundred thou-  
137 sand dollars (\$1,100,000), up to one million four hundred thousand dollars (\$1,-  
138 100,000);

139 Eleven per centum on any amount in excess of one million four hundred  
140 thousand dollars (\$1,400,000), up to one million seven hundred thousand dollars  
141 (\$1,700,000);

142 Twelve per centum on any amount in excess of one million seven hundred  
143 thousand dollars (\$1,700,000), up to two million two hundred thousand dollars  
144 (\$2,200,000);

145 Thirteen per centum on any amount in excess of two million two hundred  
146 thousand dollars (\$2,200,000), up to two million seven hundred thousand dollars  
147 (\$2,700,000);

148 Fourteen per centum on any amount in excess of two million seven hundred  
 149 thousand dollars (\$2,700,000), up to three million two hundred thousand dollars  
 150 (\$3,200,000);

151 Fifteen per centum on any amount in excess of three million two hundred  
 152 thousand dollars (\$3,200,000), up to three million seven hundred thousand dollars  
 153 (\$3,700,000);

154 Sixteen per centum on any amount in excess of three million seven hundred  
 155 thousand dollars (\$3,700,000).

156 Property passing to every other transferee, distributee or beneficiary not here-  
 157 inbefore classified shall be taxed at the rate of eight per centum on any amount  
 158 up to nine hundred thousand dollars (\$900,000);

159 Ten per centum on any amount in excess of nine hundred thousand dollars  
 160 (\$900,000), up to one million one hundred thousand dollars (\$1,100,000);

161 Twelve per centum on any amount in excess of one million one hundred thou-  
 162 sand dollars (\$1,100,000), up to one million four hundred thousand dollars (\$1,-  
 163 400,000);

164 Fourteen per centum on any amount in excess of one million four hundred  
 165 thousand dollars (\$1,400,000), up to one million seven hundred thousand dollars  
 166 (\$1,700,000);

167 Sixteen per centum on any amount in excess of one million seven hundred  
 168 thousand dollars (\$1,700,000); *provided, however,* that nothing in this act con-  
 169 tained shall be construed to repeal or in anywise impair the provisions of an act  
 170 entitled "An act to provide for the payment to counties of five per centum of trans-  
 171 fer taxes collected," approved April twenty-first, one thousand nine hundred and  
 172 nine, but the said act shall remain in full force and effect as though this act had  
 173 not been passed; *provided, further, however,* that the provisions of this section  
 174 shall have application only to the estate of a person whose death occurs on or  
 175 after July first, nineteen hundred and twenty-seven. The estate of a person whose  
 176 death occurred prior to July first, nineteen hundred and twenty-seven, shall be and  
 177 remain subject to the inheritance tax laws theretofore applicable to such estate and  
 178 such laws are continued in force for that purpose.

1 2. This act shall take effect immediately.

STATEMENT.

The purpose of this bill is expressed in the title.