

## CHAPTER 203

## RECIPROCAL EXEMPTION FROM INHERITANCE TAXATION

AN ACT to amend section seventy-three hundred eight (7308) of the code, 1927, by adding thereto an additional paragraph relating to the reciprocal exemption of intangible personal property from inheritance taxation.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. That section seventy-three hundred eight (7308) of  
2 the code, 1927, be amended by adding thereto an additional paragraph  
3 to be numbered paragraph 6, as follows:

4 6. The tax imposed by this chapter in respect to personal property  
5 of nonresidents (other than tangible personal property having an  
6 actual situs in this state) shall not be payable (1) if the decedent at  
7 the time of his death was a resident of a state or territory of the  
8 United States which at the time of his death did not impose a transfer  
9 tax or death tax of any character in respect to personal property of  
10 residents of this state (other than tangible personal property having  
11 an actual situs in such state or territory), or (2) if the laws of the  
12 state or territory of residence of the decedent at the time of his  
13 death contained a reciprocal provision under which nonresidents were  
14 exempted from transfer taxes or death taxes of every character in  
15 respect of personal property (other than tangible personal property  
16 having an actual situs therein) provided the state or territory of  
17 residence of such nonresidents allowed a similar exemption to resi-  
18 dents of the state or territory of residence of such decedent. (3) In  
19 no case shall the provisions of this paragraph apply to the intangible  
20 personal property of nonresident decedents unless such intangible  
21 personal property shall have been subjected to a tax or submitted  
22 for purposes of taxation in the state of the decedent's residence.  
23 (4) This paragraph shall apply only to estates of decedents dying  
24 subsequent to the effective date of this act.

25 For the purpose of this section the District of Columbia and pos-  
26 sessions of the United States shall be considered territories of the  
27 United States.

House File No. 149. Approved April 13, A. D. 1929.

## CHAPTER 204

## COLLECTION OF ESTATE TAX

AN ACT to amend the law as it appears in chapter three hundred fifty-one (351) of the code, 1927, by adding at the end thereof additional sections providing for the imposition and collection of an estate tax for general state purposes upon the transfer of estates of decedents dying after the twenty-sixth day of February, 1926, and being residents of, or owning property in, the state of Iowa.

*Be it enacted by the General Assembly of the State of Iowa:*

That the law as it appears in chapter three hundred fifty-one (351) of the code, 1927, be amended by adding at the end thereof additional sections as follows:

## 1 SECTION 1. When used in this act—

2 1. The term "executor" means the executor of the will or ad-  
3 ministrator of the estate of the decedent, or if there is no such  
4 executor or administrator appointed, qualified and acting, then any  
5 person in actual or constructive possession of any property included  
6 in the gross estate of the decedent.

7 2. The term "gross estate" means the gross estate as determined  
8 under the provisions of section three (3) of this act.

9 3. The term "net estate" means the net estate as determined  
10 under the provisions of section three (3) of this act.

11 4. The term "month" means a calendar month.

12 5. The term "federal estate tax act" means title three (3) of  
13 chapter twenty-seven (27) of the acts of the sixty-ninth (69)  
14 congress of the United States, first session, (appearing in forty-four  
15 (44) statutes at large, chapter twenty-seven (27), or any amend-  
16 ments thereof.

17 6. The term "federal estate tax" means the tax imposed by the  
18 provisions of said federal estate tax act referred to in paragraph  
19 five (5) of this section.

20 7. The term "Iowa estate tax" means the tax imposed by this  
21 act.

1 SEC. 2. (a) In addition to the tax imposed by chapter three hun-  
2 dred fifty-one (351) of the code, 1927, a tax for general state pur-  
3 poses to be known as the Iowa estate tax, equal to the sum of the  
4 following percentages of the value of the net estate, determined as  
5 provided in section three (3) hereof, is hereby imposed upon the  
6 transfer of the net estate of every decedent dying after the twenty-  
7 sixth day of February, 1926, and being residents of, or owning  
8 property in, this state, except as herein otherwise provided.

9 1. Four-fifths of one per centum of the amount of the net estate  
10 not in excess of fifty thousand dollars;

11 2. One and three-fifths per centum of the amount by which the  
12 net estate exceeds fifty thousand dollars and does not exceed one  
13 hundred thousand dollars;

14 3. Two and two-fifths per centum of the amount by which the  
15 net estate exceeds one hundred thousand dollars and does not exceed  
16 two hundred thousand dollars;

17 4. Three and one-fifth per centum of the amount by which the  
18 net estate exceeds two hundred thousand dollars and does not exceed  
19 four hundred thousand dollars;

20 5. Four per centum of the amount by which the net estate exceeds  
21 four hundred thousand dollars and does not exceed six hundred  
22 thousand dollars;

23 6. Four and four-fifths per centum of the amount by which the  
24 net estate exceeds six hundred thousand dollars and does not exceed  
25 eight hundred thousand dollars;

26 7. Five and three-fifths per centum of the amount by which the  
27 net estate exceeds eight hundred thousand dollars and does not exceed  
28 one million dollars;

29 8. Six and two-fifths per centum of the amount by which the net  
30 estate exceeds one million dollars and does not exceed one million  
31 five hundred thousand dollars;

32 9. Seven and one-fifth per centum of the amount by which the  
33 net estate exceeds one million five hundred thousand dollars and does  
34 not exceed two million dollars;

35 10. Eight per centum of the amount by which the net estate ex-  
36 ceeds two million dollars and does not exceed two million five hundred  
37 thousand dollars;

38 11. Eight and four-fifths per centum of the amount by which the  
39 net estate exceeds two million five hundred thousand dollars and does  
40 not exceed three million dollars;

41 12. Nine and three-fifths per centum of the amount by which the  
42 net estate exceeds three million dollars and does not exceed three  
43 million five hundred thousand dollars;

44 13. Ten and two-fifths per centum of the amount by which the  
45 net estate exceeds three million five hundred thousand dollars and  
46 does not exceed four million dollars;

47 14. Eleven and one-fifth per centum of the amount by which the  
48 net estate exceeds four million dollars and does not exceed five million  
49 dollars;

50 15. Twelve per centum of the amount by which the net estate  
51 exceeds five million dollars and does not exceed six million dollars;

52 16. Twelve and four-fifths per centum of the amount by which the  
53 net estate exceeds six million dollars and does not exceed seven million  
54 dollars;

55 17. Thirteen and three-fifths per centum of the amount by which  
56 the net estate exceeds seven million dollars and does not exceed eight  
57 million dollars;

58 18. Fourteen and two-fifths per centum of the amount by which  
59 the net estate exceeds eight million dollars and does not exceed nine  
60 million dollars;

61 19. Fifteen and one-fifth per centum of the amount by which the  
62 net estate exceeds nine million dollars and does not exceed ten million  
63 dollars;

64 20. Sixteen per centum of the amount by which the net estate  
65 exceeds ten million dollars.

66 (b) The tax imposed by this section shall be credited with the  
67 amount of any estate, inheritance, legacy or succession taxes actually  
68 paid to any state or territory of the United States or to the District  
69 of Columbia, in respect of any property included in the gross estate,  
70 including the amount paid to the state of Iowa as inheritance taxes  
71 under the law as it appears in chapter three hundred fifty-one (351)  
72 of the code, 1927, provided that in no case shall a tax be collected  
73 hereunder, which, together with the credits allowed by this paragraph,  
74 shall exceed the maximum credits allowed by said federal estate tax  
75 act for any estate, inheritance, legacy or succession taxes actually  
76 paid to any state or territory of the United States, or to the District  
77 of Columbia.

1 SEC. 3. (a) 1. In the case of a resident of this state, there shall  
2 be included in the value of the gross estate the value of all property,  
3 wherever situated, (except real estate situated outside this state and  
4 tangible personal property having an actual situs outside this state),  
5 which is included in the gross estate of such decedent under the  
6 provisions of the federal estate tax act.

7 (a) 2. In the case of a non-resident of this state, there shall be  
8 included in the value of the gross estate the value of so much of  
9 the property of such decedent, which is included in this gross estate  
10 under the provisions of the federal estate tax act, as is, at the time  
11 of his death, situated in this state, or is subject to the jurisdiction of  
12 the courts of this state, or is thereafter brought within this state and  
13 becomes subject to the jurisdiction of the courts of this state.

14 (b) In computing the value of the net estate of a decedent,  
15 whether a resident of this state or not, there shall be deducted from  
16 the value of the gross estate, as determined under the provisions of  
17 this act, all the items of expense, indebtedness, exemptions or other  
18 deductions provided for in said federal estate tax act in the pro-  
19 portion that the value of the gross estate, as determined under the  
20 provisions of this act, bears to the value of the gross estate as de-  
21 termined under the provisions of the federal estate tax act; pro-  
22 vided, however that, for the purposes of this paragraph, the value  
23 of real estate situated outside this state shall be excluded from the  
24 value of the gross estate as determined under the provisions of the  
25 federal estate tax act; and no indebtedness incurred for, or in  
26 respect of, or secured by, real estate situated outside this state, shall  
27 be allowed as a deduction from the value of the gross estate, as  
28 determined under the provisions of this act.

1 SEC. 4. The tax hereby imposed shall be upon the transfer of—

2 1. The total net estate of every decedent dying after the effective  
3 date of this act;

4 2. The net personal estate of every decedent dying after the  
5 twenty-sixth day of February, 1926, whose estate shall be open and  
6 pending in the courts of this state, or subject to the jurisdiction of  
7 such courts, at the effective date of this act, or whose estate shall  
8 or may become subject to administration in, or to the jurisdiction  
9 of, the courts of this state after the effective date of this act.

1 SEC. 5. It shall be the duty of the executor of every decedent  
2 whose estate may be subject to the tax imposed by this act, to file in  
3 the office of the state treasurer, within twelve (12) months after the  
4 death of such decedent, duplicate copies of the estate tax return  
5 provided for in the federal estate tax act, and in like manner,  
6 duplicate copies of all supplemental or amended returns; and the  
7 value of all items included in the gross estate, as shown by such  
8 returns, or supplemental or amended returns, shall be taken and con-  
9 sidered as the values of such items for the purposes of this act; and  
10 in case of any revaluation or correction of valuation of any such  
11 items, either by such supplemental or amended returns, or by the  
12 commissioner of internal revenue, or by any appellate tribunal by  
13 which the same may be finally determined, such corrected values  
14 shall be taken and considered as the values of such items for the  
15 purposes of this act.

1 SEC. 6. The tax imposed by this act shall be paid by the executor  
2 to the state treasurer within eighteen (18) months from the date of  
3 the death of such decedent, or in case such decedent died more than  
4 eighteen months (18) prior to the effective date of this act, then

5 within six (6) months after the effective date hereof. The proceeds  
6 of this tax shall be paid into the general fund of the state.

1 SEC. 7. If the executor of a resident decedent shall have paid to  
2 the treasurer of the United States or to a collector of internal revenue  
3 an estate tax under the provisions of said federal estate tax act  
4 in respect of property included in the gross estate, determined as  
5 herein provided, and shall have claimed as credits against said federal  
6 estate tax a sum less than the maximum credits allowed by the  
7 provisions of said federal estate tax act for any estate, inheritance,  
8 legacy or succession taxes actually paid to any state or territory of  
9 the United States, or to the District of Columbia, it shall be his duty,  
10 with due diligence, to file in the bureau of internal revenue a claim  
11 for credit or refund for such amount, if any, as such estate shall be  
12 properly entitled to receive under the provisions of said federal estate  
13 tax act and of this act.

1 SEC. 8. If any claim for refund or credit, or any part thereof, shall  
2 be denied or disallowed by the commissioner of internal revenue, the  
3 executor, the state treasurer, or any person having an interest in  
4 said estate which may be adversely affected by such denial or dis-  
5 allowance, may apply to the judge of the court having jurisdiction  
6 of such estate, for an order directing such executor to take, perfect,  
7 and prosecute an appeal from the decision of the commissioner of  
8 internal revenue to such court or tribunal as may have jurisdiction  
9 of such matter, and, upon the granting of such order, the state  
10 treasurer may, at his option, assist in the prosecution of such appeal.  
11 The judge of the court granting such order may make a reasonable  
12 allowance for attorneys fees for the prosecution of such appeal, and  
13 direct the manner in which the same, together with any other costs  
14 or expenses which may be allowed by said court in connection there-  
15 with, shall be paid.

1 SEC. 9. If any claim for credit or refund, or any part thereof,  
2 shall be finally determined in favor of such executor, any amount  
3 refunded or credited thereon shall inure to the benefit of such estate.  
4 If any claim for credit or refund or any part thereof, shall be finally  
5 determined adversely to such executor, for any reason other than  
6 lack of diligence or other failure of duty on his part, the amount so  
7 denied or disallowed, or so much thereof as shall have been paid to  
8 the state treasurer under the provisions of this act, shall, upon a  
9 claim duly filed with, and proper showing made to, the state treasurer,  
10 be refunded by the state treasurer to such executor, and shall inure  
11 to the benefit of such estate.

1 SEC. 10. All the provisions of the law as it appears in chapter  
2 three hundred fifty-one (351) of the code, 1927, with respect to the  
3 determination, imposition, payment and collection of the tax thereby  
4 imposed, including interest upon delinquent taxes, are hereby made  
5 applicable to the provisions of this act, except as the same may be  
6 in conflict with the provisions hereof. The state treasurer shall adopt  
7 and promulgate all rules and regulations necessary for the enforce-  
8 ment of this act.

1 SEC. 11. This act shall become void and of no effect in respect to

2 the estates of persons who die after the effective date of the repeal  
 3 of the federal estate tax act, or of the provisions thereof providing  
 4 for a credit of the taxes paid to the several states of the United  
 5 States not exceeding eighty (80) per cent of the tax imposed by said  
 6 federal estate tax act, or after such federal estate tax act, or the  
 7 eighty (80) per cent credit provisions thereof, may be declared, by  
 8 the supreme court of the United States, to be void by reason of any  
 9 contravention of the constitution of the United States.

1 SEC. 12. The provisions of this act shall be deemed to be severable,  
 2 and in case any section, paragraph, sentence or clause hereof shall be  
 3 declared by a court of competent jurisdiction to be unconstitutional,  
 4 the remaining provisions hereof shall continue to be in full force and  
 5 effect.

1 SEC. 13. This act, being deemed of immediate importance, shall  
 2 be in effect from and after its publication in two newspapers pub-  
 3 lished in this state, as provided by law.

House File No. 165. Approved April 6, A. D., 1929.

I hereby certify that the foregoing act was published in the Winterset Madisonian  
 April 11, 1929, and the Charles City Press April 11, 1929.

ED. M. SMITH, *Secretary of State.*

## CHAPTER 205

### STATE BOARD OF ASSESSMENT AND REVIEW

AN ACT relating to the assessment of property for taxation, to create a state board of assessment and review, to define the powers, rights, and duties of said board and of the officers thereof, and of other public officers with reference to said subject matter, to amend chapters three hundred thirty-six (336) to three hundred forty-one (341), both inclusive, and also chapter three hundred forty-one-a one (341-a1), code of 1927, inserting the term "state board of assessment and review" or "state board" in lieu of the terms "executive council" or "council", to amend section three hundred two (302) of the code, 1927, relating to supplies for public officers, to amend section eleven thousand two hundred sixty-eight (11268) of the code, 1927, relating to criminating questions in the examination of witnesses, to amend section seventy-one hundred thirty-two (7132) of the code, 1927, relating to board of review by providing for appeal from local boards of review and to amend chapter three hundred forty-three (343) of the code, 1927, by adding thereto sections 7132-c1, 7132-c2, 7132-c3, and 7132-c4, and by amending section seven thousand one hundred thirty-three (7133), of the code of 1927, relating to county boards of review and prescribing methods of appeal thereto and of appeal from said county boards of review to the district court, to transfer to the board herein created the duties of the executive council insofar as the duties of said council relate to the assessment of property for taxation, including the assessment of public utilities, to transfer to the board the powers and duties of the auditor of state insofar as the same relate to assessment and taxation of property, to coordinate existing statutes with this act, and to make an appropriation for the purpose of carrying out the provisions of this act.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. **Creation of board.** There is hereby created a board  
 2 composed of three members, to be designated as the state board of  
 3 assessment and review.

1 SEC. 2. **Appointment.** The members of said board shall be ap-