

Inheritance Taxes—Taxes—Charitable Institutions—Exemptions—Lodges—Hospitals.

A bequest to lodges is exempt from inheritance taxes as well as one to the Deaconess hospital and St. Vincent's hospital.

State Board of Equalization,
Helena, Montana.

May 18, 1925.

Gentlemen :

You have requested my opinion whether bequests to the Montana Deaconess hospital of Great Falls, the St. Vincent's hospital of Billings, the Elks lodge at Red Lodge, Masonic lodges, Knights of Pythias and Knights of Columbus lodges are exempt from inheritance taxes.

Subdivision (1) of section 4, chapter 65, laws of 1923, provides:

"All property transferred to * * * corporations or voluntary associations of this state organized under its laws solely for religious, charitable, educational or other public purposes, which shall use the property so transferred exclusively for the purpose of their organization within the state, shall be exempt."

The courts have generally favored exemptions to charitable institutions. As was said in the case of *In Re Rockefeller's Estate*, 165 N. Y. S. 154:

"It has been the settled policy of the state of New York to encourage the benevolently inclined to dedicate a portion of their property to charitable and benevolent purposes for the relief of the sick or distressed, the amelioration of the condition of the unfortunate, or the advancement of the physical, mental, or spiritual well-being of its inhabitants, and to that end to free the property thus dedicated, so long as it shall be used for those purposes, from taxation."

Masonic lodges have been held exempt from the payment of inheritance taxes on the ground that they are charitable, educational and benevolent corporations.

In re Hiteman's Estate, 180 N. Y. S. 880:

In re Allen's Estate, 136 N. Y. S. 327:

Morrow vs. Smith (Iowa) 124 N. W. 316 Ann., Cas. 1912A, 1183, and cases cited in the note.

What is or is not a corporation for charitable, educational or religious purposes must usually be determined by its charter. (*Matter of Watson*, N. Y. 63 N. E. 1109.)

For a list of cases holding different associations exempt from an inheritance tax on one or the other of the grounds named in our statute, see *Gleason & Otis on inheritance taxation*, third edition, page 238.

I see no reason why the other lodges named by you should not be subject to the same rule as the Masonic lodges.

It is, therefore, my opinion that a bequest to any of the institutions above named is exempt from the payment of an inheritance tax.

Very truly yours,

L. A. FOOT,

Attorney General.