

1 ^{House} BILL NO. 534
2 INTRODUCED BY Ray Nelson
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 91-4414, R.C.M. 1947, TO EXEMPT REAL PROPERTY IN
6 AGRICULTURAL USE FROM TRANSFER TAXES WHEN THE REAL PROPERTY
7 CONTINUES IN AGRICULTURAL USE FOR AT LEAST TEN (10) YEARS
8 FROM THE DATE OF TRANSFER."
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 91-4414, R.C.M. 1947, is amended to
12 read as follows:

13 "91-4414. Exemptions from first \$25,000. The following
14 exemptions from the tax are hereby allowed, the exemption
15 allowed to each person, institution, association,
16 corporation and body politic to be taken out of the first
17 twenty-five thousand dollars passing by any such transfer to
18 such person, institution, association, corporation or body
19 politic:

20 (1) Transfers totally exempt. All property transferred
21 to the state or any of its institutions, or to municipal
22 corporations within the state for strictly county, city,
23 town, or municipal purposes, shall be exempt. All property
24 transferred to any society, corporation, institution, or
25 association, in trust or otherwise, or to any foundation or

1 trust, organized and operated exclusively for religious,
2 charitable, scientific, literary, or educational purposes,
3 no part of the net earnings of which inures to the benefit
4 of any private stockholder or individual, and no substantial
5 part of the activities of which is carrying on propaganda or
6 otherwise attempting to influence legislation, shall be
7 exempt, if any of the following conditions is present:

8 (a) The society, corporation, institution, foundation,
9 trust, or association is organized solely for religious,
10 charitable, scientific, literary, or educational purposes
11 under the laws of this state or of the United States;

12 (b) The property transferred is limited for use within
13 this state;

14 (c) In the event that the society, corporation,
15 institution, foundation, trust, or association is organized
16 or existing under the laws of another state of the United
17 States or of a foreign state or country, at the date of the
18 decedent's death any one of the following conditions
19 existed:

20 (i) The other state, foreign state, or foreign country
21 did not impose a legacy, succession, or death tax of any
22 character in respect to property transferred to a similar
23 society, corporation, institution, foundation, trust, or
24 association organized or existing under the laws of this
25 state;

(ii) The laws of the other state, foreign state, or foreign country contained a reciprocal provision under which property transferred to a similar society, institution, foundation, trust, or association organized or existing under the laws of another state of the United States or foreign state or country was exempt from legacy, succession or death taxes of every character, if the other state of the United States or foreign state or country allowed a similar exemption in respect to property transferred to a similar society, institution, foundation, trust, or association organized or existing under the laws of another state of the United States or foreign state or country;

(iii) The society, corporation, institution, foundation, trust, or association owns or operates a hospital for crippled children within the United States, primarily practicing orthopedics, to which crippled or afflicted children from the state of Montana are, without discrimination, gratuitously admitted and treated and the property transferred is limited for use at such hospital.

(2) Transfers of agricultural land. That part of the value of a decedents' estate which is represented by real property used for agricultural purposes at the time of transfer shall be exempt from taxes under this chapter so long as such property continues to be put to use for agricultural purposes for a period of not less than ten (10)

years from the date of transfer. If at any time during such ten (10) year period the real property shall be taken out of agricultural use, the then owner of the property, shall be liable for the transfer tax which shall be levied on the value of the property at the time of decedents' death.

~~(2)~~ (3) \$25,000; \$5,000; \$2,000 exempt, when. Property of the clear value of twenty-five thousand dollars (\$25,000), transferred to the wife or to the husband of the decedent, five thousand dollars (\$5,000) transferred to each minor lineal issue of the decedent, or any minor child adopted as such in conformity with law, or any minor child to whom such decedent for not less than ten (10) years prior to such transfer stood in the mutually acknowledged relation of a parent, provided, however, such relationship began at or before the child's fifteenth (15) birthday, and was continuous for ten (10) years, or any minor lineal issue of such adopted or mutually acknowledged child, and two thousand dollars (\$2,000) transferred to each of the lineal issue who have attained majority and to each of the other persons who have attained majority described in the first subdivision of section 91-4409 shall be exempt. Such exemption to the wife or husband of the decedent shall include all statutory dower, curtesy and other allowances. Any child of the decedent shall be entitled to credit for so much of the tax paid by the wife or husband as applied to

1 any property which shall thereafter be transferred by or
2 from such husband or wife to any such child, provided the
3 husband or wife does not survive said decedent to exceed ten
4 years.

5 ~~(3)~~(4) \$500 exempt, when. Property of the clear value
6 of five hundred dollars transferred to each of the persons
7 described in the second subdivision of section 91-4409 shall
8 be exempt.

9 ~~(4)~~(5) Property without the state exempt, when. No tax
10 shall be imposed upon any tangible personal property of a
11 resident decedent when such property is located without this
12 state, and when the transfer of such property is subject to
13 an inheritance or transfer tax in the state where located
14 and which tax has actually been paid, secured or guaranteed,
15 provided such property is not without this state temporarily
16 nor for the sole purpose of deposit or safekeeping; and
17 provided the laws of the state where such property is
18 located allow a like exemption in relation to such property
19 left by a resident of that state and located in this state."

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