

Chapter 118

Inheritance Tax

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**TAXABLE PROPERTY; DEDUCTIONS;
RATES**

118.010 Property and transfers subject to tax; survivorship of joint tenant as transfer; transfers deemed made in contemplation of death. (1) All property, tangible or intangible, and any interest therein, within the jurisdiction of the state, whether belonging to the inhabitants of this state or not, which passes or vests by dower, curtesy, will or by statutes of inheritance of this, or any other state, or by deed, grant, bargain, sale or gift, or as an advancement or division of his or her estate, made in contemplation of the death of the grantor or bargainor or intended to take effect in possession or enjoyment after the death of the grantor, bargainor or donor to any person or persons, or to any body or bodies, politic or corporate, in trust or otherwise, or by reason whereof any person or body politic or corporate shall become beneficially entitled, in possession or expectation, to any property or income thereof, is subject to tax at the rate specified in ORS 118.100, to be paid to the Treasurer of the State for the use of the state.

(2) Whenever property, other than real property held by the entirety, is held in the joint names of two or more persons, or deposited in banks or other institutions or depositories in the joint names of two or more persons and payable to either or the survivor, upon the death of one of such persons the right of the surviving joint tenant or tenants, person or persons to the immediate ownership or possession and enjoyment of such property shall be deemed a taxable transfer in the same manner as though the whole property to which such transfer relates belonged absolutely to the deceased joint tenant or depositor and had been devised or bequeathed to the surviving joint tenant or tenants, person or persons, excepting therefrom such parts thereof as may be shown to have originally belonged to such surviving joint tenant or person, and never to have been acquired from the decedent for less than a fair consideration in money or money's worth, and if the property has been acquired from decedent for less than such fair consideration, there shall be excepted from the value of the property a portion equal to the amount of the consideration so furnished.

(3) Any transfer of property made by a decedent by deed, grant, bargain, sale or gift, within three years prior to the dece-

dent's death without a valuable and adequate consideration therefor, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this chapter.

118.020 Taxability of transfers to benevolent, charitable, religious or educational institutions. (1) Devises, bequests, legacies and gifts are exempt from taxation under the provisions of this chapter, if made:

(a) To any benevolent, charitable, religious or educational institution, society, association or corporation organized and existing within this state and actually engaged in carrying out the objects and purposes for which so organized or existing; or

(b) To a corporation, association or society to be organized for such purposes under the laws of this state pursuant to the terms of the instrument providing such devise, bequest, legacy or gift; or

(c) To a person or persons or association of persons in trust for benevolent, charitable, religious or educational uses within this state.

(2) Devises, bequests, legacies or gifts to any corporation, society, institution, person or persons or association of persons for benevolent, charitable, religious or educational purposes, organized, existing or operating under the laws of or within a state or territory of the United States (other than Oregon), are exempt from taxation under the provisions of this chapter:

(a) If at the date of decedent's death the laws of such state or territory did not impose a death tax of any character in respect to property transferred to such a corporation, society, institution, person or persons or association of persons organized, existing or operating under the laws of or within this state; or

(b) If at the date of decedent's death the laws of such state or territory contained a reciprocal provision under which devises, bequests, legacies or gifts to such a corporation, society, institution, person or persons or association of persons organized, existing or operating under the laws of or within another state or territory were exempted from death taxes of every character providing such other state or territory allowed a similar exemption to such a corporation, society, institution, person or persons or association of persons organized, existing or operating under the laws of other states or territories.

118.030 Taxes upon devises and bequests in lieu of commissions. Whenever a decedent appoints one or more executors or trustees, and in lieu of their allowance or commission, makes a bequest or devise of property to them, which would otherwise be liable to inheritance tax, or appoints them his residuary legatees, and such bequests, devises or residuary legacies exceed what would be a reasonable compensation for their services, such excess shall be liable to such tax, and the court having jurisdiction of their accounts upon its own motion, or on the application of the State Treasurer, shall fix such compensation.

118.040 Insurance exempt from taxation. There is exempted from taxation under this chapter all proceeds of policies and contracts of life insurance taken out at any time on the life of the decedent and payable to a beneficiary or beneficiaries other than the estate or the executor or administrator of the estate of the deceased insured, whether payable directly or to or through a trustee, immediately or at future dates. Such exemptions do not include any investment policy issued by a life insurance company which does not include in the policy the element of life insurance.

118.050 Pension, retirement and social security benefits exempt from taxation. The value of all benefits not exceeding the sum of \$10,000 payable to any beneficiary of a deceased person under the provisions of The National Social Security Act, The National Railroad Retirement Act, or under any policy of life insurance issued by the Government of the United States to a member of its armed forces, or under any pension or retirement plan established by the federal or state government or any municipality or any political subdivision of the state or under any pension or retirement plan or trust established by an employer which qualifies for income tax exemptions under the Federal Internal Revenue Code, shall be exempt from taxation under the provisions of this chapter.

118.060 Reciprocal exemption of intangible personal property of nonresident decedent. Intangible personal property of a nonresident decedent upon which an inheritance tax is imposed by this chapter, is not subject to the tax so imposed if a like exemption is made by the laws of the state or country of decedent's residence in favor of residents of this state.

118.070 Deductions from gross value of taxable estate. In ascertaining the net value of estates for the purpose of computing inheritance tax the following deductions, and no others, may be made from the gross value of the taxable estate:

(1) Claims allowed against the estate owing at the time of death and mortgages or other liens owing at the time upon property, the value of which is included in the gross estate.

(2) Expenses of funeral, and any amount not exceeding \$500 actually expended or to be expended for a monument or memorial.

(3) All state, county and municipal taxes which were a lien against the property of the estate at the date of death.

(4) Income or gift taxes of the United States or the State of Oregon owing at the date of death, but not United States estate taxes.

(5) Ordinary expenses of administration, including fees allowed executors or administrators under the provisions of ORS 117.680 and reasonable fees for their attorneys; and reasonable attorney's fees in connection with the settlement of an unprobated estate.

(6) Any allowance made and paid during the settlement of an estate for the support of the widow and minor children; provided, deductions for such allowance shall in the aggregate not exceed \$3,500.

(7) The value of any property set apart to the surviving spouse or minor children, under the provisions of ORS 116.010. The amount deducted for any homestead so set apart shall not exceed the sum of \$5,000.

(8) The amount allowed as a deduction under ORS 118.080.

118.080 Deduction as to property previously taxed within five years. There shall be allowed as a deduction from the value of the property subject to the taxes imposed by ORS 118.100, the value of any property, as in this section limited, received by the decedent within five years prior to his death by inheritance, devise or bequest where such property has been received from a grandparent, parent, spouse, child or stepchild, or any lineal descendant of the decedent, and passes to any person or persons within the foregoing relationships to the decedent or to the brother or sister of the decedent, and where such property can be identified as having been so received, and where the tax on such property shall, within such five

years, have been imposed and accrued in this state under ORS 118.100 and 118.220, and the tax subsequently paid. This deduction shall be limited to the value of the property in the estate of the prior decedent or in the estate of the present decedent, whichever is the lower, and only as to taxes paid to the State of Oregon.

118.090 Deductions in case of foreign estate liable to pay tax. In case of any property belonging to a foreign estate, which estate in whole or in part is liable to pay an inheritance tax in this state, the tax shall be assessed upon the market value of the property remaining after the payment of such debts and expenses as are chargeable to the property under the laws of this state. In the event that the executor, administrator or trustee of such foreign estate files with the clerk of the court having ancillary jurisdiction and with the State Treasurer, duly certified statements exhibiting the true market value of the entire estate of the decedent owner, and the indebtedness for which the estate has been adjudged liable, which statements shall be duly attested by the judge of the court having original jurisdiction, the beneficiaries of the estate shall then be entitled to have deducted such proportion of the indebtedness of the decedent from the value of the property as the value of the property within this state bears to the value of the entire estate.

118.100 Rates of tax. (1) The rates of tax on all estates shall be as follows:

On any amount exceeding	But not exceeding	Rate
\$ 10,000	\$ 25,000	1%
25,000	50,000	1½%
50,000	75,000	2%
75,000	100,000	3%
100,000	300,000	5%
300,000	500,000	7%
500,000	1,000,000	10%
1,000,000	1,500,000	13%
1,500,000		15%

The above tax on the estate shall be in full for all inheritance tax on any devise, bequest, legacy, gift or beneficial interest to any property or income therefrom which shall pass to or for the use or benefit of any grandparent, parent, spouse, child or stepchild or any lineal descendant of the deceased.

(2) When any inheritance, devise, bequest, legacy, gift or the beneficial interest

to any property or income therefrom shall pass to or for the use or benefit of any brother, sister, uncle, aunt, niece, nephew or any lineal descendant of the same, in every such case, in addition to the tax levied on such estate, such person shall pay an inheritance tax as follows:

On any amount exceeding	But not exceeding	Rate
\$ 1,000	\$ 3,000	1%
3,000	5,000	2%
5,000	10,000	4%
10,000	30,000	7%
30,000	50,000	10%
50,000	100,000	15%
100,000		20%

(3) In all other cases, in addition to the tax levied on such estate, such person, body politic or corporate shall pay an inheritance tax as follows:

On any amount exceeding	But not exceeding	Rate
\$ 500	\$ 1,000	4%
1,000	2,000	6%
2,000	4,000	8%
4,000	10,000	10%
10,000	25,000	15%
25,000	50,000	20%
50,000		25%

(4) Any person related to the decedent by a chain of relationship, any step or steps of which are created by legal adoption, shall, for the purposes of this section, be considered as related in the same degree as though all steps in the relationship were by natural blood.

(5) "Stepchild" as used in this section means the child of a spouse or deceased spouse by a former marriage to a person other than the decedent.

118.110 Tax rate applicable to net estate after allowing deductions; apportionment. The rates of tax prescribed in subsection (1) of ORS 118.100 shall be applied to the entire net estate remaining after allowance of the deductions specified in ORS 118.070 and the tax thus computed shall be apportioned to each distributive share of the estate in the ratio which each distributive share bears to the net estate. However the proportion of such tax found to be apportionable to devises, bequests, legacies or gifts which are exempt under ORS 118.020 shall not be collected. [Amended by 1953 c.704 §1]

118.120 to 118.200 [Reserved for expansion]

**LIEN; PAYMENT; COMPROMISE
OF TAX**

118.210 Liability for tax. All heirs, legatees, devisees, administrators, executors and trustees, and any grantee or donee under a conveyance or gift made during the grantor's or donor's life if the conveyance or gift is subject to tax under ORS 118.010, are, respectively, liable for any and all taxes mentioned in ORS 118.010, with interest thereon, until the same have been paid as in this chapter provided.

118.220 When tax accrues and is payable. All taxes imposed by this chapter take effect at and accrue upon the death of the decedent, and are due and payable at the expiration of eight months from such death, except as otherwise provided in this chapter, and except that taxes upon any devise, bequest, legacy or gift, limited, conditioned, dependent or determinable upon the happening of any contingency or future event, by reason of which the full and true value thereof cannot be ascertained at or before the time when the taxes become due and payable, accrue and are due and payable when the person or corporation beneficially entitled thereto comes into actual possession or enjoyment thereof.

118.230 Lien of tax; liability for payment; limitation. (1) Every tax imposed by this chapter is a lien upon the property embraced in any inheritance, devise, bequest, legacy or gift until paid, and the person to whom such property is transferred, and the administrators, executors and trustees of every estate embracing such property are personally liable for such tax until its payment, to the extent of the value of such property.

(2) However, in all estates, excepting those of nonresident deceased, if all inheritance taxes are not sued for within six years after the amount of such taxes is determined by the probate court and the notice of such determination has been served upon the State Treasurer, as provided in ORS 118.690, they are conclusively presumed to be paid and cease to be a lien against the estate, or any part thereof, except that as to property not previously reported to the State Treasurer, the time limitation shall run only from the time of the reporting thereof. In estates of nonresident deceased, such limitation period shall not apply until one year has elapsed after official notice of

the death of the nonresident deceased, with description and probable value of the estate, has been filed with the State Treasurer.

118.240 Delivery of property prior to collection of tax by personal representative prohibited. Any administrator, executor or trustee having in charge, or in trust, any property for distribution, embraced in or belonging to any inheritance, devise, bequest, legacy or gift, subject to inheritance tax shall deduct the tax therefrom, and within 30 days thereafter pay the same to the State Treasurer, as provided in this chapter. If such property is not in money, he shall collect the tax on such inheritance, devise, bequest, legacy or gift upon the appraised value thereof from the person entitled thereto. He shall not deliver, or be compelled to deliver, any property embraced in any inheritance, devise, bequest, legacy or gift, subject to tax under this chapter, to any person until he has collected the tax thereon.

118.250 To whom tax payable; final accounting of representative prohibited without production of receipt or bond. (1) The tax imposed by this chapter upon inheritances, devises, bequests or legacies, is payable to the State Treasurer, and the treasurer shall give the executor, administrator, trustee or person paying such tax, a receipt, as provided by ORS 291.444, whereupon it shall be a proper voucher in the settlement of his accounts.

(2) No executor, administrator or trustee is entitled to a final accounting of an estate in the settlement of which a tax may become due under the provisions of this chapter, unless he produces a receipt sealed and countersigned, or a copy thereof, certified by the treasurer, or unless a bond has been filed, as prescribed by ORS 118.300.

118.260 Discount; interest; payment where tax not determined. (1) If the tax imposed by this chapter is paid within eight months from the accruing thereof, a discount of five percent shall be allowed and deducted therefrom. If the tax is not paid within eight months from the accruing thereof, interest shall be charged and collected thereon at the rate of eight percent per year from the time when the tax became due and payable, unless by reason of claims upon the estate, necessary litigation or other unavoidable delay, such tax could not be determined and paid as in this chapter provided, in which case interest at the rate of

six percent per year shall be charged upon such tax from the time when the tax became due and payable, until the cause of such delay is removed, after which eight percent shall be charged.

(2) In all cases in which a bond is given, under the provisions of ORS 118.300, interest shall be charged at the rate of six percent per year from the time when the tax became due and payable, until the date of payment thereof.

(3) If the tax has not been determined, a temporary payment may be made to obtain the discount or to avoid interest. Should the amount of such payment exceed the sum subsequently determined to be due, the State Treasurer shall refund the excess.

(4) Payments made after accrual of interest on the tax shall be applied first thereto, and then to the principal thereof.

118.270 From what property tax is collectible. Except as to real property located outside of the state passing in fee from the decedent owner, the tax imposed under ORS 118.100 shall be assessed against and be collected from property of every kind, which, at the death of the decedent owner is subject to, or thereafter, for the purpose of distribution, is brought into this state and becomes subject to the jurisdiction of the courts of this state for distributive purposes, or which was owned by any decedent domiciled within the state at the time of the death of such decedent even though such property was situated outside of the state.

118.280 Power to sell for payment of tax. Every executor, administrator or trustee has power to sell as much of the property embraced in any inheritance, devise, bequest or legacy, as will enable him to pay the tax imposed by this chapter, in the same manner as he is authorized to do for the payment of the debts of a decedent.

118.290 Duty of recipient when legacy payable out of property; legacy for limited period. (1) If any bequest or legacy is charged upon or payable out of any property, the heir or devisee shall deduct such tax therefrom and pay such tax to the administrator, executor or trustee, and the tax shall remain a lien or charge on such property until paid. The payment thereof shall be enforced by the executor, administrator or trustee in the same manner that payment of the bequest or legacy is enforced,

or by the district attorney under ORS 118.370.

(2) If any bequest or legacy is given in money for a limited period, the administrator, executor or trustee shall retain the tax upon the whole amount; but, if it is not in money, he shall make application to the court having jurisdiction of an accounting by him to make an apportionment, if the case requires, of the sum to be paid into his hands by such legatee or beneficiary, and for such further order relative thereto as the case may require.

118.300 Deferred payment; bond. Any person or corporation beneficially interested in any property chargeable with a tax under ORS 118.010, and executors, administrators and trustees thereof, may elect, within six months from the death of the decedent, not to pay such tax until the person or persons beneficially interested therein shall come into actual possession or enjoyment thereof. If it is personal property, the person or persons so electing shall give a bond to the state in the penalty of three times the amount of such tax, with such sureties as the probate judge of the proper county may approve, conditioned for the payment of such tax and interest thereon, at such time and period as the person or persons beneficially interested therein may come into actual possession or enjoyment of such property, which bond shall be executed and filed, and a full return of such property upon oath made to the probate court within six months from the date of transfer thereof, as in this section provided. Such bond must be renewed every five years.

118.310 Transfer of stock or obligations by foreign representative; payment of tax prior to transfer. If a foreign executor, administrator or trustee assigns or transfers any stock or obligations in this state standing in the name of the decedent, or in trust for a decedent, liable to any such tax, the tax shall be paid to the State Treasurer on or before the transfer thereof, and no such assignment or transfer is valid unless such tax is paid.

118.320 Transfer of stock by representative; consent of State Treasurer to transfer prior to payment. No executor, administrator or trustee of any decedent, resident or nonresident, shall assign or transfer any stock of any corporation of this state or of any national banking association

located in this state, standing in the name of a decedent, or in the joint names of a decedent and one or more other persons, or in trust for a decedent, subject to the inheritance tax imposed by law, until such tax has been paid, unless the State Treasurer consents to such transfer prior to such payment in the manner provided by ORS 118.340.

118.330 Corporation executing transfer; examination of transfer books by treasurer; liability for unauthorized transfer. (1) No corporation of this state or national banking association located in this state shall transfer any stock of such corporation or association, standing in the name of a decedent, whether resident or nonresident, or in the joint names of a decedent and one or more persons, or in trust for such decedent, unless the State Treasurer has filed with the corporation or association a certificate that the inheritance tax on the transfer of such stock has been fully paid, or otherwise consents thereto in writing. The State Treasurer, either personally or by representative, may examine the shares of stock of such decedent at the time of such transfer and also the transfer books of the corporation or association showing such transfer.

(2) Any such corporation or association making any transfer of stock in violation of the provisions of this section, is liable for the payment of the amount of the taxes to which the property so transferred is subject, which liability for such tax and interest shall be enforced in an action of debt in the name of the state, brought by the State Treasurer thereof, and the same when recovered shall be paid into the treasury of the state for the use of the state.

(3) However, nothing in ORS 118.320 to 118.340 shall affect stock properly assigned and held as collateral security.

118.340 Consent of State Treasurer to transfer; certificate of payment of tax. Whenever the inheritance tax imposed upon the transfer of the stock of any corporation of this state, or national banking association located in this state, standing in the name of a decedent, resident or nonresident, or in the joint names of the decedent and one or more persons, or in trust for such decedent, has been paid, the State Treasurer shall, upon the request of any interested party or of the corporation or association or upon his own motion, file with the corporation or as-

sociation a certificate of such payment. The State Treasurer is empowered to consent to the transfer of such stock prior to the payment of the taxes whenever he deems such transfer may be so made without prejudice or peril to the rights of the state.

118.350 Compromise and compounding tax; approval by court; proceedings in case of actions or suits involving title to real property. (1) Whenever an estate, devise, legacy or beneficial interest therein, charged or sought to be charged with the inheritance tax is of such nature or is so disposed that the liability of the same is doubtful, or the value thereof cannot with reasonable certainty be ascertained under the provisions of law, the State Treasurer may, with the written approval of the Attorney General setting forth the reasons therefor, compromise with the beneficiaries or representatives of such estates, and compound the tax thereon; but the settlement must be approved by the court having jurisdiction of the estate, and after such approval the payment of the amount of the taxes so agreed upon shall discharge the lien against the property of the estate.

(2) In any suit or action in the circuit court of the state involving the title to real property only, in which it appears, by the pleadings or otherwise, that an inheritance tax is or might be payable to the State of Oregon by reason of the death of any person whose estate has not been administered in Oregon, such circuit court shall direct that a copy of the pleadings in such cause be served upon the State Treasurer, such service to be made as summons is served in any cause in the circuit court of this state. Thereupon further proceedings in the cause shall be suspended until the State Treasurer has had an opportunity to appear therein, such appearance to be made within the time that is required by the service of summons upon a private person or corporation. The State Treasurer shall appear in the cause and present the claims of the state, if any, to an inheritance tax, and it is the duty of the Attorney General of the state to represent the state and the State Treasurer in such proceedings, and the State Treasurer may, with written approval of the Attorney General setting forth the reasons therefor, compromise and compound the tax claimed to be due upon the passing of such real property. Such settlement and compromise shall be entered of record in the journal of the

proceedings of such court. Thereafter the payment of the amount of taxes so agreed upon shall discharge the inheritance tax lien against the property. If a compromise is not effected, the amount of tax, if any, due upon the passing of the real property shall be determined by the circuit court as are other questions involved in such litigation, and subject to the same right of appeal to the Supreme Court. The decree of the circuit court or of the Supreme Court, if there is an appeal, is conclusive as to the amount of taxes due upon the passing of the real property and payment thereof shall discharge the lien against the property.

118.360 Refund of tax erroneously paid; limitations. When any tax imposed by this chapter is erroneously paid, wholly or in part, the person paying the same is entitled to refundment of that amount, and the Secretary of State shall, upon the written approval of the State Treasurer of a voucher for refundment, draw his warrant upon the State Treasurer for the amount thereof in favor of the persons entitled thereto, payable from the Inheritance Tax Fund; provided, however, that all applications for such refunding shall be made within three years from the payment thereof.

118.370 Duty of treasurer to apply for citation to collect unpaid taxes; action for tax. (1) If the State Treasurer has reason to believe that any tax is due and unpaid under this chapter, after the refusal or neglect of the persons liable therefor to pay the same, he shall notify the district attorney of the county in writing of such failure or neglect, and such district attorney, if he has probable cause to believe that such tax is due and unpaid, shall apply to the court having probate jurisdiction for a citation citing the persons liable to pay such tax to appear before the court on the day specified, not more than 30 days from the date of such citation, unless the court, for good cause shown, grants a longer time, and show cause why the tax should not be paid. The court, upon such application, and whenever it appears that any such tax accruing under this chapter has not been paid as required by law, shall issue such citation. The service of such citation, and the time, manner and proof thereof, and the hearing and determination thereon, shall conform as nearly as may be to the provisions of the probate practice; provided, that where no provision is made for manner of such service or proof of same,

the court or judge, at the time such order or citation is issued, shall direct the manner of giving notice and proof of the same.

(2) Whenever it appears that any such tax is due and payable and the payment thereof cannot be enforced under the provisions of this chapter in such court, the district attorney of the proper county shall sue for, in the name of the state, and enforce the collection of such tax. All taxes so collected shall be forthwith paid into the Inheritance Tax Fund of the state.

(3) Such district attorney shall appear for and represent the State Treasurer on the hearing of such citation, or of any other hearing.

(4) Whenever the judge certifies that there was probable cause for issuing a citation and taking the proceedings specified in this section, the State Treasurer shall file with the Secretary of State a duly verified itemized account of all expenses incurred for the services of the citation, and other lawful disbursements not otherwise paid, and the Secretary of State shall thereupon draw his warrant upon the State Treasurer for the payment thereof, and in favor of the treasurer, payable from the Inheritance Tax Fund.

118.380 Duplicate receipts to be furnished by State Treasurer; recordation. The State Treasurer shall, upon the payment of the sum of 25 cents, issue to any person demanding the same, a copy of a receipt that may have been given by such treasurer for the payment of any tax under this chapter, which receipt shall designate by whom the tax was paid and whether in full of the tax. Should the payment include a tax upon the transfer of real property situated in a county other than that of the administration of the estate, the receipt shall contain an identifying reference to such property. If the estate of decedent will not be administered or probated, the receipt shall indicate upon what real property transfers the tax was paid. Such receipts may be recorded in the office of the recorder of deeds of the county in which such property is situated, in a book to be kept by him for that purpose, which shall be labeled "Transfer Tax." No additional charge for copies of a receipt shall be made by the State Treasurer if issued at the time of issuance of the original thereof. The sum paid to the State Treasurer for copies of receipts shall be paid by him into the Inheritance Tax Fund.

118.390 Recording receipts by county officer. The county commissioners of each county shall provide a book for the recording of the receipts mentioned in ORS 118.380. The recorder of deeds of each county shall charge and collect, at the time the receipt is presented for record, for the use of the county, the sum of 25 cents for recording each receipt.

118.400 [Reserved for expansion]

ADMINISTRATION OF INHERITANCE TAX ACT

118.410 Jurisdiction of tax cases. The court in each county in this state having jurisdiction to grant letters testamentary or of administration upon the estate of a decedent whose property is chargeable with any tax under this chapter, or to give ancillary letters thereon, or to appoint a trustee of any part of such estate, has jurisdiction to hear and determine all questions arising under the provisions of this chapter, and to any act in relation thereto authorized by law to be done by such court in other matters or proceedings coming within his jurisdiction. If two or more courts are entitled to exercise such jurisdiction, the court first acquiring jurisdiction under this chapter shall retain the same to the exclusion of every other court.

118.420 Notice to State Treasurer of administration of estate; determination of value; application by treasurer for letters. The judge of the court having jurisdiction of the estate of any decedent shall, within 10 days after the filing of a will, the application for letters of administration or the granting of letters testamentary or of administration, if in his opinion the estate is subject to a tax under any of the provisions of this chapter, cause the county clerk to send to the State Treasurer a certificate of the filing of such will or application, or the granting of such letters of administration. The court shall thereupon, and as soon as practicable after the granting of any such letters, proceed to ascertain and determine the value of every inheritance, devise, bequest or legacy embraced in or payable out of the estate in which such letters are granted, and the tax due thereon. The State Treasurer shall have the same right to apply for letters of administration as that conferred by law upon creditors.

118.430 [Reserved for expansion]

118.440 Notice to State Treasurer by depositories before permitting access to receptacle; notice by any person before delivering or transferring any securities or other property. (1) No person, safe deposit company, trust company, corporation, bank or other institution engaged in the business of renting safe deposit boxes or other receptacles of similar character shall rent any such receptacle without first requiring all persons given access thereto to agree in writing to notify the depository from whom such receptacle is rented of the death of any person having the right of access thereto, before securing access to the receptacle after the death of such person. All persons having the right of access to any such receptacle, upon the death of any other person having access thereto, before securing access to the receptacle must notify the depository from whom the receptacle is rented of the death of such person.

(2) No person, safe deposit company, trust company, bank, corporation or other institution having in possession or under control, custody or partial custody any safe deposit box or similar receptacle, shall permit access thereto by any one after knowledge or notice of the death of any person who at the time of his death had the right or privilege of access thereto either as a principal, deputy, agent or cotenant, or deputy or agent of a deceased principal unless notice in writing of the time and place when such access is to be given is served on the State Treasurer at least five days prior to the time such access is permitted.

(3) No person, safe deposit company, trust company, bank, corporation or other institution, or corporation in which the decedent at the time of his death owned any stock, having in possession or under control or custody or under partial control or partial custody, securities, deposits, assets or property belonging to or standing in the name of the decedent, who was a resident or nonresident, or belonging to or standing in the joint names of such decedent, and one or more other persons, including the shares of the capital stock of, or other interest in, the safe deposit company, trust company, corporation, bank or other institution making the delivery or transfer provided in this section shall, after notice of death of the deceased, deliver or transfer the same to the executors, administrators, legal representatives or to any other persons, or to the sur-

vivors when held in the joint names of a decedent and one or more other persons, or upon their order or request, unless notice of the time and place of such intended transfer is served upon the State Treasurer in writing at least 10 days prior to the transfer. The State Treasurer, personally or by representative, may examine the securities, deposits or assets prior to the time of such delivery or transfer. If upon such examination the State Treasurer or his representative deems it necessary in the enforcement of the inheritance tax laws that delivery or transfer of such securities or assets be deferred, he may forthwith notify, in writing, such person, company, bank or institution to defer delivery or transfer thereof for a period not to exceed 10 days from the date of such notice, or until a release in writing of such securities or assets is given by the State Treasurer. Thereupon the party notified shall defer such delivery until the time stated in such notice, or until the revocation thereof within such 10 days or until such release is granted.

(4) Failure to serve the notices provided for in this section or to allow such examination or to defer the delivery of such securities or assets as required, shall render such person, safe deposit company, trust company, corporation, bank or other institution liable to the payment of the tax imposed by this chapter on any securities or assets contained in such receptacle or so transferred; provided, that this section does not apply to deposits in banks or shares, accounts and certificates in savings and loan associations standing in the joint names of such decedent and one or more other persons where the balance of such deposit does not exceed the sum of \$1,000.

118.450 [Reserved for expansion]

118.460 Reports by county clerks and custodians of deeds. (1) Each county clerk shall, on the first day of January, April, July and October of each year, make a report to the State Treasurer upon forms furnished by the treasurer, containing the name, residence and date of death of the decedent upon whose estate an application has been made for the issue of letters of administration, letters testamentary or ancillary letters; the estimated value of the property of such decedent; the amount of the property of any such decedent as shown by the inventory and appraisal thereof; the names and places of residence and relation-

ship to the decedent of the heirs at law; the names and places of residence of the legatees, devisees and other beneficiaries in any will of such decedent; the amount of each legacy; and the name and address of the administrator or executor and of his attorney.

(2) The county officer having custody of records of deeds shall, at the same time, make a report to the State Treasurer containing a statement of any conveyance filed or recorded in his office of any property which appears to have been made or intended to take effect in possession or enjoyment after the death of the grantor or vendor, with name and place of residence of the vendor and vendee, and a description of the property transferred, as shown by such instrument.

118.470 Representative to furnish additional reports on demand. Administrators, executors or trustees of the estates subject to the inheritance tax shall, when demanded by the State Treasurer, send to such treasurer certified copies of such parts of their reports as may be demanded by him, and, upon refusal of such persons to comply with the treasurer's demand, the clerk of the court shall comply with such demand, and the expense of making such copies and transcripts shall be charged against the estate, as are other expenses in probate.

118.480 Representative to notify State Treasurer of passage of real estate in trust. Whenever any of the real estate of which any decedent died seised passes to any body politic or corporate, or to any person or persons, or in trust for them, or some of them, the executor, administrator or trustee of such decedent shall give information thereof in writing to the State Treasurer within three months after they undertake the execution of their expected duties, or, if the fact is not known to them within that period, then within one month after the same comes to their knowledge.

118.490 Compensation of officers. Except as otherwise provided in this chapter, no officer, by reason of any duties imposed by this chapter, shall receive any additional compensation to that allowed him by law.

118.500 Appeals. Appeals may be taken to the circuit court from all final orders, judgments and decrees, entered under the provisions of this chapter, in the same manner and with the same effect as other ap-

peals are taken from final orders and judgments made or rendered by the county court. All such appeals shall be had and tried in the same manner and with like effects as appeals in suits of equity are heard and tried.

118.510 Taxes as part of Inheritance Tax Fund and General Fund. All taxes paid into the State Treasury under the provisions of this chapter shall belong to and be a part of the Inheritance Tax Fund of the state; provided, whenever the amount of money in this fund exceeds \$10,000, then all money in excess of \$5,000 shall be transferred to the General Fund.

118.520 Payment of expenses incurred and disbursements made by State Treasurer. The State Treasurer shall file with the Secretary of State a duly verified itemized account of all expenses incurred and disbursements made by him in examining or having examined any securities under ORS 118.440, or any other expense actually incurred by him in enforcing or carrying out the provisions of this chapter. The Secretary of State shall thereupon draw his warrant upon the State Treasurer for the payment thereof and in favor of the State Treasurer, payable from the Inheritance Tax Fund.

118.530 to 118.600 [Reserved for expansion]

APPRAISAL AND JUDICIAL APPROVAL

118.610 Duty of representative; filing inventory and appraisement. The executor, administrator or trustee of every estate, within one month from the date of his appointment, or, if a trustee, from the acceptance of this trust, or, if necessary, such further time as the county clerk or judge may allow, shall make an inventory, verified by his own oath, of all the real and personal property of the deceased which comes to his possession or knowledge, any will or directions of the decedent to the contrary notwithstanding, and cause the same to be appraised, as by law required, and filed with the clerk of the court having jurisdiction of the estate.

118.620 Extension of time to file appraisement. Whenever, by reason of the complicated nature of an estate, or by reason of the confused condition of the decedent's affairs, it is impracticable for the executor, administrator, trustee or beneficiary of the estate to file with the clerk of the court a

full, complete and itemized inventory of the personal assets belonging to the estate within the time required by statute for filing inventories of estates of decedents, the court may, upon the application of such representative or parties in interest, extend the time for filing the appraisement for a period not to exceed three months beyond the time fixed by law, or such further time as may be necessary upon good cause shown.

118.630 Appointment of appraisers. The court having probate jurisdiction of the estate may, in any matter mentioned in ORS 118.420, 118.610 and 118.620, or if no inventory or appraisement has been made, or if it deems it for any cause insufficient or inadequate, either upon its own motion or upon the application of any interested party, including the State Treasurer, and as often as and when occasion requires, appoint one or more persons as appraisers to appraise the true and full value of the property embraced in any inheritance, devise, bequest or legacy subject to the payment of any tax imposed by this chapter.

118.640 Immediate appraisal; evaluating particular interests. (1) Every inheritance, devise, bequest, legacy or gift, upon which a tax is imposed under this chapter, shall be appraised at its full and true value immediately upon the death of the decedent, or as soon thereafter as may be practicable; provided, that when such interest is contingent, defeasible or of such a nature that its full and true value cannot be ascertained at the date of decedent's death it shall be appraised as of such date at its full and undiminished value at the time when such value first becomes ascertainable, without diminution for or on account of any valuation made or tax paid theretofore upon the particular estates upon which the devise, bequest, legacy or gift may have been limited.

(2) Whenever a gift or devise of real property which is subject to inheritance tax passes to or vests in a husband and wife as tenants by the entirety, the inheritance tax thereon shall be determined in the same manner as though each of such tenants by the entirety took an undivided one-half of the property as tenants in common.

(3) Whenever any estate or interest is so limited that it may be divested by the act or omission of the devisee or legatee, such estate or interest shall be taxed as if there were no possibility of such divesting:

(4) The value of every limited estate, in-

come, interest or annuity dependent upon any life or lives in being shall be determined by the rules or standards of mortality and of value commonly used by actuaries' or combined experience tables, except that the rate of interest on computing the present value of all such limited estates, incomes, interests or annuities shall be four percent per year. The value of the interest or estate remaining after such limited estate, income, interest or annuity shall be determined by deducting the amount found to be the value of such limited estate, income, interest or annuity from the value of the entire property in which such limited estate, income, interest or annuity exists.

118.650 Fixing time and place of appraisal; notice; attendance of witnesses; report of appraisers; compensation. (1) The appointing court shall by order fix the time and place when the appraisers appointed under the provisions of ORS 118.630 shall make the appraisal. The county clerk shall forthwith give notice to the State Treasurer, and to all persons known to have a claim or interest in the property, inheritance, devise, bequest, legacy or gift to be appraised, and to such persons as the probate court may by order direct, of the time and place when the appraisers will make such appraisal. Such notice shall be given by mail. They shall, at such time and place, appraise the same as prescribed in this chapter, and for that purpose the appraisers are authorized to issue subpoenas and to compel the attendance of witnesses before them, and to take evidence of such witnesses under oath concerning such property and the value thereof. They shall make report thereof and of such value in writing to the appointing court, together with the testimony of the witnesses examined, and such other facts in relation thereto as such court may order or require.

(2) Every appraiser is entitled to compensation at the rate of \$3 per day for each day actually and necessarily employed in such appraisal, and his actual and necessary traveling expenses. Such witnesses, and the officer or person serving any such subpoena, is entitled to the same fees as those allowed witnesses or sheriffs for similar services in courts of record. The compensation and fees claimed by any person for services performed under this section shall be approved by the probate judge, who shall certify the amount thereof, as so approved,

to the Secretary of State, who shall examine the same, and, if found correct, he shall draw his warrant upon the State Treasurer for the amount thereof in favor of the person entitled thereto, payable from the Inheritance Tax Fund.

(3) No appraiser appointed by this chapter shall take any fee or reward from any executor, administrator, trustee, legatee, next of kin or heir of any decedent, or from any other person liable to pay the tax or any portion thereof.

118.660 Notice by representative to State Treasurer of time and place of appraisal; copy of inventory and appraisal. (1) Every executor, administrator or trustee of any estate subject to an inheritance tax under the laws of this state shall, at least 10 days prior to the first meeting of appraisers to appraise the estate, notify the State Treasurer in writing of the time and place of such meeting of the appraisers and shall attach to the inventory due proof of such notice with a copy thereof. The State Treasurer may waive, in writing, any notice of appraisal.

(2) Every such executor, administrator or trustee, within 10 days after the appraisal or reappraisal and before the court authorizes any payment or distribution to the legatees or to any parties entitled to a beneficiary interest therein, shall deliver to the State Treasurer a copy of each inventory and appraisal duly certified to be such by the clerk of the court and shall file with the clerk proof of such delivery.

(3) Every such executor, administrator or trustee shall, as soon as practicable, make and file with the State Treasurer a schedule, list or statement, verified by his oath and in a form to be prescribed by the State Treasurer, which schedule shall include a statement of the name, age and relationship to the deceased of each person entitled to any beneficiary interest in the estate, together with the clear value of such interest, a list and description of all transfers of property, in trust or otherwise, made by the decedent in his lifetime as a division or distribution of his estate in contemplation of death or intended to take effect at or after his death and such other data as the State Treasurer deems appropriate in the determination of inheritance taxes. If the estate of the decedent is subject to a tax, but the estate will not be probated or administered, an heir of decedent, acceptable

to the State Treasurer, shall file with the State Treasurer a like schedule, list or statement, containing also therein a description of the assets and the properties of the estate, the estimated or appraised values thereof, and the items that may properly be deducted in the determination of inheritance taxes due therefrom as provided in ORS 118.070.

118.670 Court's duty to determine tax.

(1) From the appraiser's report mentioned in ORS 118.650, and other proof relating to any such estate before the court, the court shall forthwith, as of course, determine the full and true value of all such estates and the amount of the tax to which the same are liable; or

(2) The court may so determine the full and true value of all such estates, and the amount of tax to which the same are liable, without appointing appraisers, as provided in ORS 118.630.

118.680 Court may act on first inventory. In ascertaining and determining the value of any inheritance, devise, bequest or legacy embraced in or payable out of any estate or trust, and the tax due thereon, the court may act upon the inventory and appraisal of such estate as prepared and filed by the executor, administrator or trustee thereof, pursuant to law, or it may require an appraisal or reappraisal, as provided in this chapter, of the true and full value of the property embraced in any inheritance, devise, bequest or legacy, subject to the payment of any tax imposed by this chapter.

118.690 Court to give notice on determination of value. The probate court shall immediately give notice upon the determination of the value of any inheritance, devise, bequest, legacy or gift which is taxable under this chapter, and of the tax to which it is liable, to the State Treasurer and to all other parties known to be interested therein. Such notices shall be given by mail.

118.700 Reappraisal; appeal. (1) Within 60 days after the assessment and determination by the probate court of any tax imposed by this chapter, or within such additional time thereafter as may be fixed by written stipulation of the parties or as may be allowed by the court, the State Treasurer, or any person interested therein, may file with the court objections thereto in writing,

and pray for a reassessment and redetermination of such tax.

(2) Upon any objection being so filed, the probate court shall appoint a time for the hearing thereof, and cause notice of such hearing to be given by mail to the State Treasurer, and all parties interested, at least 10 days before the hearing thereof. At the time appointed in such notice, the court shall proceed to hear such objection, and any evidence which may be offered in support thereof or opposition thereto. All evidence heard on such reappraisal shall be reduced to writing and filed with the clerk of court. If, after such hearing, the court finds the amount at which the property is appraised is its market value, and the appraisal was made fairly and in good faith, it shall approve such appraisal; but if it finds that the appraisal was made at a greater or smaller sum than the market value of the property, or that the same was not made fairly or in good faith, it shall, by order, set aside the appraisal and determine such value.

(3) The State Treasurer, or anyone interested in the property appraised, may appeal to the circuit court from the judgment, order, and decree of the county court in the premises, and may appeal to the Supreme Court from the order, judgment, or decree of the circuit court in the same manner as is provided by law for appeals from the county and circuit courts. All appeals taken from the judgment or decree of the court shall be had and tried on appeal in the same manner and with like effect as appeals in suits in equity are heard and tried.

118.710 to 118.800 [Reserved for expansion]

ENFORCEMENT OF FOREIGN DEATH TAXES

118.810 Application, construction and definition. (1) The provisions of ORS 118.810 to 118.840 apply to the estate of any nonresident decedent if the laws of the state of his domicile contain a provision, of any nature or however expressed, whereby this state is given reasonable assurance of the collection of its inheritance or death taxes, interest and penalties, from the estates of decedents dying domiciled in this state in cases where the estates of such decedents are being administered by the probate court of such other state, or if the

state of his domicile does not grant letters in nonresident estates until after letters have been issued by the state of domicile.

(2) The provisions of ORS 118.810 to 118.840 shall be construed liberally in order to insure that the state of domicile of any decedent shall receive any death taxes, together with interest and penalties thereon, due to it.

(3) For the purpose of ORS 118.810 to 118.840, the words, "state of domicile" or "domiciliary state" include any territory of the United States, the District of Columbia and any foreign country.

118.820 Duty to file proof of death taxes due domiciliary state of nonresident decedent. At any time before the expiration of 18 months after the qualification in any probate court of this state of any executor of the will of, or administrator of the estate of, any nonresident decedent, such executor or administrator shall file with the clerk of the court in which he qualified proof that all death taxes, together with interest or penalties thereon, which are due to the state of domicile of such decedent, or to any political subdivision thereof, have been paid or secured, or that no such taxes, interest or penalties are due, as the case may be, unless it appears that letters of administration or letters testamentary have been issued in the state of domicile.

118.830 Form and requisites of proof; petition for accounting by tax officials of domiciliary state. The proof required by ORS 118.820 may be in the form of a certificate issued by the official or body charged with the administration of the death tax laws of the domiciliary state but if such proof is not filed within the time limit set out in ORS 118.820, the clerk of the court forthwith shall notify by mail the official or body of the domiciliary state charged with the administration of the death tax laws thereof with respect to such estate, and shall state in such notice as far as is known to him, the name, date of death and last domicile of such decedent; the name and address of each executor or administrator; a summary of the values of the real estate, tangible personalty and intangible personalty, wherever situated, belonging to such decedent at the time of his death; and the fact that such executor or

administrator has not filed theretofore the proof required in ORS 118.520. The clerk shall attach to such notice a plain copy of the will and codicils of such decedent, if he died testate, or if he died intestate, a list of his heirs and next of kin, so far as is known to such clerk. Within 60 days after the mailing of such notice, the official or body charged with the administration of the death tax laws of the domiciliary state, may file with the court in this state a petition for an accounting in such estate. Such official or body of the domiciliary state shall be deemed a party interested for the purpose of petitioning the court for such accounting. If such petition is filed within the period of 60 days, the court shall decree such accounting, and upon the accounting being filed and approved shall decree the remission to the fiduciary appointed by the domiciliary probate court of the balance of the intangible personalty after the payment of creditors and expenses of administration in this state.

118.840 Final accounting or discharge of executor or administrator. Unless the provisions of either ORS 118.820 or 118.830 have been complied with, no such executor or administrator shall be entitled to a final accounting or discharge in any court in this state.

118.850 to 118.980 [Reserved for expansion]

PENALTIES

118.990 Penalties. (1) Any person in possession or control of any record, file or paper containing information relating to the estate of a deceased person or any interest therein and who fails, neglects or refuses to exhibit the same upon the written request of the State Treasurer or his representative, specifying and describing such instrument, shall be punished by imprisonment in the county jail not more than one year or by a fine not exceeding \$500.

(2) Violation of subsection (3) of ORS 188.650 is punishable, upon conviction in any court having jurisdiction of misdemeanors, by a fine of not less than \$250 nor more than \$500, and imprisonment in the county jail not exceeding 90 days. In addition thereto, the probate judge shall dismiss the appraiser from service.

