

Collateral Inheritance Tax.

1929, ch. 226, sec. 105.

105. All estates, real, personal and mixed, money, public and private securities for money of every kind passing from any person who may die seised and possessed thereof, being in this State, either by will or under the intestate laws of this State, or any part of such estate or estates, money or securities, or interest therein, transferred by deed, grant, bargain, gift or sale, made or intended to take effect in possession after the death of the grantor, bargainor, devisor or donor, to any person or persons, or bodies corporate, in trust or otherwise, other than to or for the use of the father, mother, husband, wife, children and lineal descendants of the grantor, bargainor or testator, donor or intestate shall be subject to a tax of five per centum in every hundred dollars of the clear value of such estate, money or securities, and all executors, administrators, trustees and other persons making distribution, shall only be discharged from liability for the amount of such tax, the payment of which they be charged with, by paying the same for the use of this State, as hereinafter directed; provided, that no estate which may be valued at a less sum than five hundred dollars shall be subject to the tax imposed by this section; provided further, that nothing in this section shall apply to any such estate or estates, money or securities, or interest therein, transferred by deed, will, grant, bargain, gift or sale, made or intended to take effect in possession after the death of the grantor, bargainor, devisor or donor, or by escheat, passing to this State, or to any county or city of this State; and provided further that no tax shall be imposed which is forbidden by Section 130 of this Article.

124. Collateral inheritance tax is tax upon right of legatee or heir to receive inheritance, and not estate tax on right to transmit it. Federal decision based on construction of Pennsylvania statute by Pennsylvania court. Federal inheritance tax. *Hospital v. Dugan*, 146 Md. 378. *Cf. Miles v. Curley*, 291 Fed. (C. C. A. 4th), 761.

124. Sec. 124 (old) referred to in footnote to dissenting opinion to decision holding unconstitutional statute exempting instruments maturing in five years from tax upon mortgages. *Magoun v. Illinois Bank*, 170 U. S. 283, upholding inheritance tax which exempted estates of \$500, referred to. *Louisville Gas Co. v. Coleman*, 277 U. S. 44, 72 L. Ed. 777.

124. Pennsylvania may impose tax on transfer of stock of corporation of Maryland and Pennsylvania owned by deceased resident of Maryland. Principal office. *Northern Centl. Rwy. Co. v. Trust Co.*, 152 Md. 104.

As to the Maryland estate tax, see art. 62A.

1929, ch. 226, sec. 106.

106. Every executor to whom administration may be granted, before he pays any legacy or distributive share of any estate liable to the tax imposed by Section 105, shall pay to the Register of Wills of the proper county or city, five per centum of every hundred dollars he may hold for distribution among the distributees or legatees, except as hereinafter provided, and at that rate for any less sum, for the use of the State; provided that such tax shall not be paid or collected upon any increase in value of

See important footnote on first page of this article.