

(\$3,000,000.00) shall be distributed by the Secretary of Highways for the payment of township reward in the manner now prescribed by law for the distribution of township reward, and the sum of five million dollars (\$5,000,000.00) shall be allocated by the Secretary of Highways to the several counties for State-aid construction, as now provided by existing laws relative to distribution of State-aid funds, and the sum of two hundred thousand dollars (\$200,000.00) shall be paid to the counties of the first class on orders of the Secretary of Highways for the purposes of constructing, reconstructing, maintaining, and repairing the roads and highways of such counties. Said payments shall be made from the Motor License Fund and for such purposes so much of the moneys in said Motor License Fund are hereby specifically appropriated.

Money for State-aid construction.

Money for construction, etc., of roads, etc.

Appropriation from Motor License Fund.

APPROVED—The 14th day of May, A. D. 1925.

GIFFORD PINCHOT.

No. 391.

AN ACT

To amend section one and section two as amended of the act, approved the twentieth day of June, one thousand nine hundred and nineteen (Pamphlet Laws, five hundred and twenty-one), entitled "An act providing for the imposition and collection of certain taxes upon the transfer of property passing from a decedent who was a resident of this Commonwealth at the time of his death, and of property within this Commonwealth of a decedent who was a non-resident of the Commonwealth at the time of his death; and making it unlawful for any corporation of this Commonwealth, or national banking association located therein, to transfer the stock of such corporation or banking association, standing in the name of any such decedent, until the tax on the transfer thereof has been paid; and providing penalties; and citing certain acts for repeal," providing for reciprocity with other States in the taxation of the transfer of property of non-resident decedents.

Section 1. Be it enacted, &c., That section one of the act, approved the twentieth day of June, one thousand nine hundred and nineteen (Pamphlet Laws, five hundred and twenty-one), entitled "An act providing for the imposition and collection of certain taxes upon the transfer of property passing from a decedent who was a resident of this Commonwealth at the time of his death, and of property within this Commonwealth of a decedent who was a non-resident of the Commonwealth at the time of his death; and making it unlawful for any corporation of this Commonwealth, or national banking association located therein, to transfer the stock of such corporation or banking association, standing in the name of any such decedent, until the tax on the transfer thereof has been paid; and provid-

Taxation.

Section 1 of act of June 20, 1919 (P. L. 521), amended.

ing penalties; and citing certain acts for repeal," is hereby amended to read as follows:

Transfer taxes.

Section 1. Be it enacted, &c., That a tax shall be, and is hereby, imposed upon the transfer of any property, real or personal, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations in the following cases:

Property subject to tax.

(a) When the transfer is by will or by the intestate laws of this Commonwealth from any person dying seized or possessed of the property while a resident of the Commonwealth, whether the property be situated within this Commonwealth or elsewhere.

(b) When the transfer is by will or intestate laws of real property within this Commonwealth, or of goods, wares, or merchandise within this Commonwealth, or of shares of stock of corporations of this Commonwealth or of national banking associations located in this Commonwealth, and the decedent was a non-resident of the Commonwealth at the time of his death.

(c) When the transfer is of property made by a resident, or is of real property within this Commonwealth, or of goods, wares, and merchandise within this Commonwealth, or of shares of stock of corporations of this Commonwealth, or of national banking associations located in this Commonwealth, made by a non-resident, by deed, grant, bargain, sale, or gift, made in contemplation of the death of the grantor, vendor, or donor, or intended to take effect in possession or enjoyment at or after such death.

(d) When any person or corporation comes into the possession or enjoyment by a transfer from a resident or non-resident decedent, when such non-resident decedent's property consists of real property within this Commonwealth, or of shares of stock of corporations of this Commonwealth, or of national banking associations located in this Commonwealth, of an estate in expectancy of any kind or character which is contingent or [defeasibly] *defeasible* transferred by an instrument taking effect after the passage of this act, or of any property transferred pursuant to a power of appointment contained in any instrument taking effect after the passage of this act.

When personal property of non-resident decedent is not taxable.

*Personal property of a non-resident decedent made taxable under this section shall not be subject to the tax so imposed if a like exemption is made by the laws of the State or country of the decedent's residence in favor of residents of this Commonwealth.*

Section 2 of act of June 20, 1919 (P. L. 521), as amended by act of July 12, 1923 (P. L. 1078), further amended.

Section 2. That section two of said act, which was amended by the act, approved the twelfth day of July, one thousand nine hundred and twenty-three (Pamphlet Laws, one thousand and seventy-eight), entitled "An act to amend an act, approved June twentieth,

one thousand nine hundred and nineteen (Pamphlet Laws, five hundred and twenty-one), entitled 'An act providing for the imposition and collection of certain taxes upon the transfer of property passing from a decedent who was a resident of this Commonwealth at the time of his death, and of property within this Commonwealth of a decedent who was a non-resident of the Commonwealth at the time of his death; and making it unlawful for any corporation of this Commonwealth, or national banking association located therein, to transfer the stock of such corporation or banking association, standing in the name of any such decedent, until the tax on the transfer thereof has been paid; and providing penalties; and citing certain acts for repeal,' as amended," is hereby further amended to read as follows:

Section 2. All taxes imposed by this act shall be at the rate of two per centum upon the clear value of the property subject to such tax passing to or for the use of father, mother, husband, wife, children, lineal descendants born in lawful wedlock, legally adopted children, children of a former husband or wife, or the wife or widow of the son, of a person dying seized or possessed thereof, and also on the clear value of such property passing from the mother of an illegitimate child, or from any person of whom the mother is a lineal descendant, to such child, his wife, or widow, and passing from an illegitimate child to his mother; and at the rate of ten per centum upon the clear value of the property subject to such tax passing to or for the use of any other person or persons, bodies corporate or politic; to be paid for the use of the Commonwealth. In ascertaining the clear value of such estates, the only deductions to be allowed from the gross values of such estates shall be the debts of the decedent, reasonable and customary funeral expenses, bequests or devises in trust, in reasonable amounts, the entire interest or income from which is to be perpetually applied to the care and preservation of the family burial lot or lots, their enclosures and structures erected thereon, reasonable expenses for the erection of monuments or gravestones, grave and lot markers, and the expenses of the administration of such estates, and no deduction whatsoever shall be allowed for or on account of any taxes paid on such estates to the Government of the United States or to any other State or Territory, *except as otherwise provided in section one of this act.*

Rate of direct tax.

Rate of collateral tax.

Deductions.

APPROVED—The 14th day of May, A. D. 1925.

GIFFORD PINCHOT.