
By Mr. Porter of Agawam, petition of George W. Porter relative to the taxation of the proceeds of insurance policies. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Five.

AN ACT RELATIVE TO THE TAXATION OF THE PROCEEDS
OF INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section one of chapter sixty-five of the
2 General Laws, as most recently amended by chapter
3 six hundred and five of the acts of nineteen hundred
4 and forty-one, is hereby further amended by striking
5 out the paragraph preceding the table therein con-
6 tained and inserting in place thereof the following:—
7 All property within the jurisdiction of the com-
8 monwealth, corporeal or incorporeal, and any in-
9 terest therein, belonging to inhabitants of the com-
10 monwealth, and all real estate or any interest therein
11 and all tangible personal property within the common-
12 wealth belonging to persons who are not inhabitants of
13 the commonwealth except such an interest in such
14 real estate as is represented by a mortgage or by a
15 transferable certificate or participation or share of

16 an association, partnership or trust, which shall pass
17 by will, or by laws regulating intestate succession, or
18 by deed, grant or gift, except in cases of a bona fide
19 purchase for full consideration in money or money's
20 worth, made in contemplation of the death of the
21 grantor or donor or made or intended to take effect
22 in possession or enjoyment after his death, any bene-
23 ficial interest therein which shall arise or accrue by
24 survivorship in any form of joint ownership in which
25 the decedent joint owner contributed during his life
26 any part of the property held in such joint ownership
27 or of the purchase price thereof, and, in proportion
28 to the premiums directly or indirectly paid by the
29 decedent, the proceeds of life, annuity and accident
30 insurance policies or contracts which shall become
31 payable at or by reason of the death of an insured
32 inhabitant of the commonwealth, to any person,
33 absolutely or in trust, except (1) to or for the use of
34 charitable, educational or religious societies or in-
35 stitutions which are organized under the laws of, or
36 whose principal objects are carried out within, the
37 commonwealth or which are organized under the
38 laws of, or whose principal objects are carried out
39 within, some other state of the United States which
40 exempts from similar taxation legacies and devices
41 by its citizens to or for the use of such societies or
42 institutions which are organized under the laws of,
43 or whose principal objects are carried out within, the
44 commonwealth, or (2) for or upon trust for any
45 charitable purposes to be carried out within the
46 commonwealth or within any other state of the United
47 States which exempts from similar taxation legacies
48 and devises by its citizens for charitable purposes to
49 be carried out within this commonwealth, or (3) to

50 or for the use of the commonwealth or any town
51 therein for public purposes, shall be subject to a tax
52 at the percentage rates fixed by the following table:

1 SECTION 2. Section one of said chapter sixty-five
2 is hereby further amended by striking out all after
3 said table and inserting in place thereof the follow-
4 ing:—

5 Provided, however, that no property or interest
6 therein, which shall pass or accrue to or for the use
7 of a person in Class A, except a grandchild of the
8 deceased, unless its value exceeds ten thousand dollars,
9 and no other property or interest therein, unless its
10 value exceeds one thousand dollars, shall be subject
11 to the tax imposed by this chapter, and no tax shall
12 be exacted upon any property or interest so passing
13 or accruing which shall reduce the value of such
14 property or interest below said amounts; and pro-
15 vided, further, that any beneficiary under a policy of
16 insurance who is in Class A shall be entitled to receive
17 exempt from the tax herein imposed in addition to
18 any amount above made exempt the sum of ten
19 thousand dollars payable under such a policy of
20 insurance, and any other beneficiary under such a
21 policy shall be entitled to receive exempt from such
22 tax in addition to any amount above made exempt
23 the sum of one thousand dollars payable under such
24 a policy.

25 All property and interests therein which shall pass
26 from a decedent to the same beneficiary whether or
27 not under a policy of insurance by any one or more
28 of the methods hereinbefore specified and all beneficial
29 interests which shall accrue or become payable as
30 hereinbefore provided to such beneficiary at or on

31 account of the death of such decedent shall be united
32 and treated as a single interest for the purpose of
33 determining the tax hereunder.

1 SECTION 3. Said chapter sixty-five is hereby
2 further amended by striking out section six, as appear-
3 ing in the Tercentenary Edition, and inserting in
4 place thereof the following: —

5 *Section 6.* Administrators, executors and trustees,
6 grantees or donees under conveyances or gifts made
7 during the life of the grantor or donor, persons to
8 whom beneficial interests shall accrue by survivor-
9 ship, insurance companies, if doing business or
10 authorized to do business in the commonwealth, or,
11 if not, beneficiaries entitled to the proceeds of policies
12 of insurance, and beneficiaries receiving additional
13 property as provided in section twenty-seven, shall
14 be liable for the taxes imposed by this chapter, with
15 interest, until the same have been paid.

1 SECTION 4. Section seven of said chapter sixty-
2 five is hereby amended by striking out the third
3 paragraph, as appearing in the Tercentenary Edition,
4 and inserting in place thereof the following para-
5 graph: —

6 Taxes imposed by this chapter upon property or
7 interests therein, passing by deed, grant or gift to
8 take effect in possession or enjoyment after the death
9 of the grantor or donor, or upon beneficial interests
10 arising or accruing by survivorship in any form of
11 joint ownership, shall be payable by the grantee,
12 donee or survivor at the expiration of one year from
13 the date when his right of possession or enjoyment
14 accrues. Taxes imposed by this chapter upon prop-

15 erty or interests therein passing by deed, grant or
16 gift made in contemplation of death shall be payable
17 by the grantee or donee at the expiration of one year
18 after the death of the grantor or donor. Taxes im-
19 posed by this chapter upon the proceeds of insurance
20 policies shall be payable by the insurance company
21 liable upon the policy, if doing business or authorized
22 to do business in the commonwealth, or, if not, by
23 the beneficiary entitled to the proceeds of the policy,
24 and such taxes shall become due at the expiration of
25 one year after the death of the insured decedent.

