

sive State. While its treatment of near relatives is not severe, its exemption in the case of non-relatives is only \$500, and its rate of taxation is according to a scale increasing sharply with the amount taxed. Thus, the transfer is taxed three per cent. up to \$10,000; four per cent. up to \$20,000; five per cent. up to \$50,000; six per cent. up to \$100,000, and ten per cent. above \$100,000. The State claims from non-residents a tax not only upon shares of corporations incorporated in Illinois, but also upon shares of corporations, no matter where incorporated, which may own property within that State; and also upon registered bonds, although held by non-residents. These rates were exceeded, however, by the State of Washington, which formerly assumed to tax all sums passing to collateral relatives or strangers of the blood, who are aliens not residing in the United States, twenty-five per cent. upon their inheritances. The Supreme Court of the State held this remarkable statute invalid. It is paralleled by the Quebec amendment of 1907 imposing an additional tax of five per cent. upon inheritances passing to non-residents; which was wisely repealed three years later.

On the other hand, Pennsylvania enjoys the distinction of having always possessed a moderate inheritance tax law. No tax whatever is imposed upon direct inheritances; nor does the State tax stock in Pennsylvania corporations where such stock is owned by the estate of a non-resident; nor does it tax securities for money which may be physically within the State at the time of the owner's death. The principle that personal property follows the domicile of the owner is wisely adhered to (*Coleman's Estate*, 151 Penna. 4). As a result of these moderate laws, some of the largest corporations in the country make their home in the State, and capital feels reasonably safe there. Fifteen States, among them Delaware, Maryland and Virginia, exempt direct inheritances. Massachusetts exempts bonds and certificates of stock of foreign corporations found within the State, and taxes non-resident decedents upon real estate within Massachusetts only.