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## Letters to the Editor

Dicta Editorial Board

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LETTERS TO THE EDITOR
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## GIFT TAXES AND MR. POPHAM

I read with interest the excellent article by Harold E. Popham on "Joint Tenancy in Colorado." I thought it was well that he pointed out the necessity of making a gift tax return to the State of Colorado where the joint tenancy resulted in a gift to one of the parties, and the amount thereof exceeds the exclusion allowed under the gift tax statute.

Under the provisions of chapter 75-A, 1935 Colorado Statutes Annotated, as amended, a specific exemption of \$20,000 is allowed to a wife, but the exemption is only \$10,000 where the gift is to a husband, child, father, mother, or any child or children legally adopted as such, or any lineal descendant of any grantor born in lawful wedlock.

It should also be noted that the exclusion of \$2,500 applies only to persons in Class A, to-wit, husband, wife, father, mother, and to others therein stated and that the exclusion to a wife or widow of a son, or the husband or widower of the daughter, or the grandfather or grandmother, or a brother or sister under Class B is only \$1,500, and the exclusions to any other persons or corporations as listed in Classes C and D is \$1,000.

The amount of the exemptions also decrease according to the classes in which the donees fall. For example, in Class B the exemption is only \$2,000 and in Classes C and D the exemption is \$500.

There appears to be some misunderstanding as to whether or not the exclusion and exemption can be taken each year where gifts are made to the same donee in succeeding years. The exclusion can be taken annually, but in addition thereto, the exemption is also a deduction except that the exemption is cumulative; and when the total amount of the exemption is reached, either as a result of the gift in one year or gifts made over a period of years, such exemption can no longer be taken.

As Mr. Popham points out, the question of taxes should be considered not only in the establishment of joint tenancies but in the making of other gifts as the exemptions under the gift tax law are in addition to any exemptions which are allowed under the inheritance tax law.

Mr. Popham states that "on the death of a joint tenant only one-half of the value at date of death is included in his estate for inheritance tax purposes, regardless of who contributed to the purchase price." Section 8, chapter 85, 1935 Colorado Statutes Annotated, as amended, provides for such a division except as to co-ownership government securities and bank accounts, in which cases

the amount actually contributed by the decedent is the taxable amount. If the decedent contributed the entire amount, then the entire amount would be taxable; if the decedent contributed only part of the funds, then only that part would be taxable for inheritance tax purposes.

Harry H. Ruston, Inheritance Tax Commissioner

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## THE ARMY IS NO ALTERNATIVE TO JAIL, THANK YOU

For the benefit of judges and other law enforcement officers of the state, Lt.-Col. Earl W. Worley, Denver procurement officer for the U. S. Air Forces, has requested DICTA to publicize the fact that the regulations of the Armed Forces prohibit the enlistment of any person found guilty of a felony. Moreover, contrary to the impression of some persons heretofore, regulations prohibit enlistment in the armed forces as an alternative to penal servitude.

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## FIRST DISTRICT ELECTS NEW OFFICERS

The First Judicial District Bar Association met at Golden on December 16 and selected the following officers for the forthcoming year: Arthur D. Quaintance of Jefferson County, president; George Fischer of Adams County, vice-president; and John E. Fitzpatrick of Arapahoe County, secretary-treasurer. Carl Cline was designated to represent the association the state Board of Governors.

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Secretary of Commerce Charles Sawyer's report on Federal transportation policies is available in booklet form at the department's regional office, 210 Boston Bldg., Denver. Price per copy is 20c.

### OUR "NEW FACE"

As our more observant readers will have noted, with the January issue of DICTA a new type face was adopted, together with a restyling of the cover and contents. This more modern dress, which we hope meets with your approval, was developed as the result of suggestions from Dr. Alan Swallow of the University of Denver Press. Both in appearance and in substance, the new DICTA is frankly in the experimental stage, and its editors solicit your comment and suggestions.



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