

Lancaster, Penn., July 5, 1894.

My dear Sir:-

I had expected Mr. McPherson to have been here before this time, but have received a letter from him this morning, stating that he will not be in Lancaster, not being very well, until after the 14th.

With reference to the matter you spoke of the other day, I submit to you my position in regard to the inquiries made by the United States about the liability of the Stevens' estate to legacy and succession tax.

Upon receipt of your communication, I looked up the law on the subject, having only come into the estate a couple of years after the death of Mr. Stevens, not knowing what action had been taken by Mr. Dickey, one of the executors. After examining the law and other authorities under the Acts of Congress and the decisions of the U.S. Court, came to the conclusion that there was no liability on the part of the estate to such taxes. As you are aware, none of the Stevens' legacies were payable until three years after death which was in the fall of 1868. The Act under which the taxes were claimed was repealed by the Act of July 14, 1870, and took effect on the first day of October 1870. None of these legacies under Mr. Stevens' will vested in enjoyment until three years after his decease which would have been in 1871, a year and a half after the repeal of the law.

Under the decisions of the U.S. Courts, both Circuit and the Supreme Court, legacies are not taxable.

I would kindly refer you, in aid to your conclusion, to Gould & Ticknor's Notes on the Revised Statutes of the United States, page 699, Chapter 10.

Under the head of legacies and successions and notes with reference to the repeal of the law by Act of July 14th, 1870 to take effect on the first day of October 1870, and the decisions cited therein.

Among them:-

Mason VS. Sergeant, 104th U.S., Reports 689.
Sturgis VS. United States, 117th Reports 363.
United States VS. Brice, 14th Philadelphia Reports 486, in Circuit
Court of the United States.
Klapp VS. Mason, 94th U.S., Reports 589.

These authorities and the law settle the question that
the legacies not to be enjoyed until after the repeal of the law are
not liable to taxation.

No demand was ever made by any authority for the payment of
the tax on these legacies.

Very truly yours,

Geo. M. Kline
atly for Estate of
Hon. Thad. Stevens dec'd

To R.E. Shearer, Esq.,
Collector.