

**293.01 TAX ON INCOME RESERVED TO DONOR IN CONVEYANCE TO EDUCATIONAL INSTITUTION.**

When real property shall be conveyed to any educational institution in the state which has or claims to possess the right or privilege of exemption from taxation under or by virtue of the provisions contained in a territorial charter where such property is not devoted to, and reasonably necessary for the accomplishment of, the educational purposes of such institution, if in connection with such conveyance, or in consideration thereof, in whole or in part:

(1) Such real property is charged with the payment of; or

(2) There is reserved to the grantor or to the grantor's nominees; or

(3) The grantee shall be or become under obligation to pay; any sum by way of an annuity or income to such grantor or to the grantor's nominees, whether for life or for a term of years, there shall be levied and collected upon such payments a tax of 50 percent.

**History:** (2394-91) Ex1937 c 91 s 1; 1986 c 444