

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 151 Session of 2013

INTRODUCED BY PETRI, AUMENT, BAKER, BARRAR, BLOOM, BROOKS, CALTAGIRONE, D. COSTA, EMRICK, FLECK, GINGRICH, GODSHALL, GROVE, C. HARRIS, HENNESSEY, HESS, HICKERNELL, M. K. KELLER, KNOWLES, KORTZ, LAWRENCE, MAJOR, MARSHALL, METCALFE, MILLARD, MOUL, MUSTIO, O'NEILL, OBERLANDER, STEPHENS, SWANGER, TALLMAN AND V. BROWN, JANUARY 17, 2013

REFERRED TO COMMITTEE ON FINANCE, JANUARY 17, 2013

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
 2 act relating to tax reform and State taxation by codifying
 3 and enumerating certain subjects of taxation and imposing
 4 taxes thereon; providing procedures for the payment,
 5 collection, administration and enforcement thereof; providing
 6 for tax credits in certain cases; conferring powers and
 7 imposing duties upon the Department of Revenue, certain
 8 employers, fiduciaries, individuals, persons, corporations
 9 and other entities; prescribing crimes, offenses and
 10 penalties," further providing for the imposition of
 11 inheritance tax, for the rate of inheritance tax and for
 12 returns.

13 The General Assembly of the Commonwealth of Pennsylvania
 14 hereby enacts as follows:

15 Section 1. Section 2106 of the act of March 4, 1971 (P.L.6,
 16 No.2), known as the Tax Reform Code of 1971, added August 4,
 17 1991 (P.L.97, No.22), is amended to read:

18 Section 2106. Imposition of Tax.--An inheritance tax for the
 19 use of the Commonwealth is imposed upon every transfer subject
 20 to tax under this article at the rates specified in section
 21 2116. This section shall not apply to the estates of decedents

1 dying on or after January 1, 2017.

2 Section 2. Section 2116(a) of the act, amended May 24, 2000
3 (P.L.106, No.23), is amended to read:

4 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
5 upon the transfer of property passing to or for the use of any
6 of the following shall be at the rate of four and one-half per
7 cent[:] for estates of decedents dying before January 1, 2013;
8 at the rate of three per cent for estates of decedents dying on
9 or after January 1, 2013, and before January 1, 2014; at the
10 rate of two per cent for estates of decedents dying on or after
11 January 1, 2014, and before January 1, 2015; at the rate of one
12 per cent for estates of decedents dying on or after January 1,
13 2015, and before January 1, 2016; and at the rate of zero per
14 cent for the estates of decedents dying on or after January 1,
15 2016, and before January 1, 2017:

16 (i) grandfather, grandmother, father, mother, except
17 transfers under subclause (1.2), and lineal descendants; or

18 (ii) wife or widow and husband or widower of a child.

19 (1.1) Inheritance tax upon the transfer of property passing
20 to or for the use of a husband or wife shall be:

21 (i) At the rate of three per cent for estates of decedents
22 dying on or after July 1, 1994, and before January 1, 1995.

23 (ii) At a rate of zero per cent for estates of decedents
24 dying on or after January 1, 1995.

25 (1.2) Inheritance tax upon the transfer of property from a
26 child twenty-one years of age or younger to or for the use of a
27 natural parent, an adoptive parent or a stepparent of the child
28 shall be at the rate of zero per cent.

29 (1.3) Inheritance tax upon the transfer of property passing
30 to or for the use of a sibling shall be at the rate of twelve

1 per cent[.] for estates of decedents dying before January 1,
2 2013; at the rate of ten per cent for estates of decedents dying
3 on or after January 1, 2013, and before January 1, 2014; at the
4 rate of eight per cent for estates of decedents dying on or
5 after January 1, 2014, and before January 1, 2015; at the rate
6 of five per cent for estates of decedents dying on or after
7 January 1, 2015, and before January 1, 2016; and at the rate of
8 two per cent for estates of decedents dying on or after January
9 1, 2016, and before January 1, 2017.

10 (2) Inheritance tax upon the transfer of property passing to
11 or for the use of all persons other than those designated in
12 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
13 2111(m) shall be at the rate of fifteen per cent[.] for estates
14 of decedents dying before January 1, 2013; at the rate of twelve
15 per cent for estates of decedents dying on or after January 1,
16 2013, and before January 1, 2014; at the rate of eight per cent
17 for estates of decedents dying on or after January 1, 2014, and
18 before January 1, 2015; and at the rate of four per cent for
19 estates of decedents dying on or after January 1, 2015, and
20 before January 1, 2016.

21 (3) When property passes to or for the use of a husband and
22 wife with right of survivorship, one of whom is taxable at a
23 rate lower than the other, the lower rate of tax shall be
24 applied to the entire interest.

25 * * *

26 Section 3. Section 2136 of the act is amended by adding a
27 subsection to read:

28 Section 2136. Returns.--* * *

29 (g) This section shall not apply to the estates of decedents
30 dying on or after January 1, 2017, except as referenced under

1 section 2145.

2 Section 4. This act shall take effect immediately.