

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 796 Session of 2025

INTRODUCED BY M. MACKENZIE, BERNSTINE, PICKETT, GLEIM, STAATS, ZIMMERMAN, KAUFFMAN AND GILLEN, MARCH 3, 2025

REFERRED TO COMMITTEE ON FINANCE, MARCH 3, 2025

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," in inheritance tax, further providing for  
 11 inheritance tax.

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

14 Section 1. Section 2116(a)(1) and (1.3) of the act of March  
 15 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are  
 16 amended to read:

17 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax  
 18 upon the transfer of property passing to or for the use of any  
 19 of the following shall be at the rate [of four and one-half per  
 20 cent:] imposed under section 302 on each dollar of income that  
 21 is received by every resident individual, estate or trust and on  
 22 each dollar of income that is received by every nonresident

1 individual, estate or trust, not to exceed three and seven  
2 hundredths per cent:

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

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

6 \* \* \*

7 (1.3) Inheritance tax upon the transfer of property passing  
8 to or for the use of a sibling shall be at the rate [of twelve  
9 per cent.] imposed under section 302 on each dollar of income  
10 that is received by every resident individual, estate or trust  
11 and on each dollar of income that is received by every  
12 nonresident individual, estate or trust, not to exceed three and  
13 seven hundredths per cent.

14 \* \* \*

15 Section 2. The amendment of section 2116(a)(1) and (1.3) of  
16 the act shall apply to estates of decedents dying after June 30,  
17 2025.

18 Section 3. This act shall take effect immediately.