

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 236 Session of
2001

INTRODUCED BY BENNINGHOFF, BOYES, ORIE, M. BAKER, BARRAR,
BELARDI, BELFANTI, CALTAGIRONE, CAPPELLI, CAWLEY, CLARK,
L. I. COHEN, CORRIGAN, COSTA, COY, J. EVANS, FAIRCHILD,
FEESE, FORCIER, GABIG, GEORGE, GODSHALL, GORDNER, HALUSKA,
HANNA, HERMAN, HORSEY, JADLOWIEC, KENNEY, LEDERER, MAITLAND,
MANN, MARKOSEK, MARSICO, McILHATTAN, McNAUGHTON, METCALFE,
S. MILLER, NAILOR, PHILLIPS, ROBINSON, RUBLEY, SAMUELSON,
SATHER, SAYLOR, SCHULER, STABACK, T. STEVENSON, SURRA,
E. Z. TAYLOR, THOMAS, TRELLO, WOGAN, WOJNAROSKI, YOUNGBLOOD,
SAINATO, ROBERTS, SHANER, STEELMAN, HUTCHINSON, GEIST, EGOLF,
McCALL, DALLY, DAILEY, PETRARCA, BASTIAN AND CLYMER,
JANUARY 29, 2001

REFERRED TO COMMITTEE ON FINANCE, JANUARY 29, 2001

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 inheritance tax rates.

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

13 Section 1. Section 2116(a) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May
15 24, 2000 (P.L.106, No.23), is amended to read:

16 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
17 upon the transfer of property passing to or for the use of any

1 of the following shall be at the rate of [four and one-half]
2 three 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 (1.1) Inheritance tax upon the transfer of property passing
7 to or for the use of a husband or wife shall be:

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

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

12 (1.2) Inheritance tax upon the transfer of property from a
13 child twenty-one years of age or younger to or for the use of a
14 natural parent, an adoptive parent or a stepparent of the child
15 shall be at the rate of zero per cent.

16 (1.3) Inheritance tax upon the transfer of property passing
17 to or for the use of a sibling shall be at the rate of [twelve]
18 ten per cent.

19 (2) Inheritance tax upon the transfer of property passing to
20 or for the use of all persons other than those designated in
21 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
22 2111(m) shall be at the rate of fifteen per cent.

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

27 * * *

28 Section 2. This act shall apply to the estates of decedents
29 dying after June 30, 2001, and to inter vivos transfers made by
30 decedents dying after June 30, 2001, regardless of the date of

1 the transfer.

2 Section 3. This act shall take effect immediately.