

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 755 Session of
2003

INTRODUCED BY BENNINGHOFF, BARRAR, BEBKO-JONES, CAPPELLI,
CAWLEY, CLYMER, COLEMAN, COSTA, CREIGHTON, DAILEY, EGOLF,
FAIRCHILD, FICHTER, FORCIER, GODSHALL, GRUITZA, HANNA,
HARHART, HARRIS, HERMAN, HERSHEY, HUTCHINSON, LAUGHLIN,
LEDERER, LEH, MACKERETH, MAJOR, MARKOSEK, MARSICO,
McILHATTAN, McNAUGHTON, METCALFE, NAILOR, PHILLIPS, PICKETT,
READSHAW, ROHRER, ROSS, SAINATO, SCAVELLO, SCHRODER, SHANER,
SOLOBAY, STERN, R. STEVENSON, T. STEVENSON, THOMAS, TURZAI,
WATSON, WILT, YOUNGBLOOD AND ZUG, MARCH 6, 2003

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2003

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 and for returns.

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

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

17 Section 2106. Imposition of Tax.--An inheritance tax for the
18 use of the Commonwealth is imposed upon every transfer subject
19 to tax under this article at the rates specified in section

1 2116. This section shall not apply to the estates of decedents
2 dying on or after January 1, 2011.

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

5 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
6 upon the transfer of property passing to or for the use of any
7 of the following shall be at the rate of four and one-half per
8 cent[:] for estates of decedents dying before January 1, 2004;
9 at the rate of two and one-half per cent for estates of
10 decedents dying on or after January 1, 2005, and before January
11 1, 2006; at the rate of one-half per cent for estates of
12 decedents dying on or after January 1, 2006, and before January
13 1, 2007; and at the rate of zero per cent for estates of
14 decedents dying after January 1, 2007:

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

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

18 (1.1) Inheritance tax upon the transfer of property passing
19 to or for the use of a husband or wife shall be:

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

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

24 (1.2) Inheritance tax upon the transfer of property from a
25 child twenty-one years of age or younger to or for the use of a
26 natural parent, an adoptive parent or a stepparent of the child
27 shall be at the rate of zero per cent.

28 (1.3) Inheritance tax upon the transfer of property passing
29 to or for the use of a sibling shall be at the rate of twelve
30 per cent[.] for estates of decedents dying before January 1,

1 2004; at the rate of ten per cent for estates of decedents dying
2 on or after January 1, 2005, and before January 1, 2006; at the
3 rate of eight per cent for estates of decedents dying on or
4 after January 1, 2006, and before January 1, 2007; at the rate
5 of six per cent for estates of decedents dying on or after
6 January 1, 2007, and before January 1, 2008; at the rate of four
7 per cent for estates of decedents dying on or after January 1,
8 2008, and before January 1, 2009; at the rate of two per cent
9 for estates of decedents dying on or after January 1, 2009, and
10 before January 1, 2010; and at the rate of zero per cent for
11 estates of decedents dying on or after January 1, 2010.

12 (2) Inheritance tax upon the transfer of property passing to
13 or for the use of all persons other than those designated in
14 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
15 2111(m) shall be at the rate of fifteen per cent[.] for estates
16 of decedents dying before January 1, 2004; at the rate of
17 thirteen per cent for estates of decedents dying on or after
18 January 1, 2004, and before January 1, 2005, at the rate of
19 eleven per cent for estates of decedents dying on or after
20 January 1, 2005, and before January 1, 2006; at the rate of nine
21 per cent for estates of decedents dying on or after January 1,
22 2006, and before January 1, 2007; at the rate of seven per cent
23 for estates of decedents dying on or after January 1, 2007, and
24 before January 1, 2008; at the rate of five per cent for estates
25 of decedents dying on or after January 1, 2008, and before
26 January 1, 2009; at the rate of three per cent for estates of
27 decedents dying on or after January 1, 2009, and before January
28 1, 2010; at the rate of one per cent for estates of decedents
29 dying on or after January 1, 2010, and before January 1, 2011;
30 and at the rate of zero per cent for estates of decedents dying

1 on or after January 1, 2011.

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

6 * * *

7 Section 3. Section 2136 of the act, added August 4, 1991
8 (P.L.97, No.22), is amended by adding a subsection to read:

9 Section 2136. Returns.--* * *

10 (g) This section shall not apply to the estates of decedents
11 dying on or after January 1, 2011, except as referenced by
12 section 2145.

13 Section 4. This act shall take effect immediately.