



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 659

PRINTERS NO. 736

PRIME SPONSOR: Metzgar

### REVENUE INCREASE / (DECREASE)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	(\$5,600,000)

**SUMMARY:** House Bill 659, Printer's Number 736, amends the Tax Reform Code further providing for the inheritance tax.

**ANALYSIS:** This legislation provides an exemption from the inheritance tax for property transferred to a child twenty-one years or younger from a natural parent, adoptive parent or stepparent. Such transfers are currently taxed at 4.5%.

The act shall take effect in 60 days and the exemption shall apply to property transferred from a parent with a date of death on or after the effective date

**FISCAL IMPACT:** For purposes of this analysis it is assumed that the bill would be enacted on June 30, 2013, and take effect in 60 days. According to the Department of Revenue, the exemption provided in the bill will result in a loss of revenue to the General Fund of \$5.6 million in fiscal year 2013-14. A discount of 5% is allowed for Inheritance tax payments received within 3 months of the date of death. The full amount of the tax is due nine months after the date of death. Therefore, this estimate represents only a partial year cost. The full annual cost of \$10 million will be realized in fiscal year 2014-15.

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House Appropriations Committee (R)

**DATE:** April 12, 2013

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*