

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1367 Session of
2001

INTRODUCED BY ROBERTS, CAPPABIANCA, SHANER, READSHAW, BELARDI,
CALTAGIRONE, GRUCELA, WOJNAROSKI, STABACK, SOLOBAY, CAPPELLI,
HORSEY, BEBKO-JONES, DALEY, JADLOWIEC, J. TAYLOR, PISTELLA,
WILT, SCRIMENTI, BELFANTI, BUNT AND WASHINGTON,
APRIL 23, 2001

REFERRED TO COMMITTEE ON FINANCE, APRIL 23, 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 exemptions.

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

13 Section 1. Section 2111 of the act of March 4, 1971 (P.L.6,
14 No.2), known as the Tax Reform Code of 1971, is amended by
15 adding a subsection to read:

16 Section 2111. Transfers Not Subject to Tax.--* * *

17 (s) For estates of decedents dying after June 30, 2003,
18 transfers of property to or for the use of any children over 21
19 years of age of the decedent are exempt from inheritance tax
20 imposed under this article.

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

3 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
4 upon the transfer of property passing to or for the use of any
5 of the following shall be at the rate of four and one-half per
6 cent:

7 (i) grandfather, grandmother, father, mother, except
8 transfers under [subclause (1.2)] subclauses (1.2) and (1.4),
9 and lineal descendants; or

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

11 (1.1) Inheritance tax upon the transfer of property passing
12 to or for the use of a husband or wife shall be:

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

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

17 (1.2) Inheritance tax upon the transfer of property from a
18 child twenty-one years of age or younger to or for the use of a
19 natural parent, an adoptive parent or a stepparent of the child
20 shall be at the rate of zero per cent.

21 (1.3) Inheritance tax upon the transfer of property passing
22 to or for the use of a sibling shall be at the rate of twelve
23 per cent.

24 (1.4) Inheritance tax upon the transfer of property passing
25 to or for the use of any children over 21 years of age of the
26 decedent shall be at the rate set forth as follows:

27 (i) Six per cent for estates of decedents dying before July
28 1, 2000.

29 (ii) Four per cent for estates of decedents dying after June
30 30, 2000, and before July 1, 2001.

1 (iii) Two per cent for estates of decedents dying after June
2 30, 2001, and before July 1, 2002.

3 (iv) One per cent for estates of decedents dying after June
4 30, 2002, and before July 1, 2003.

5 (v) Zero per cent for estates of decedents dying after June
6 30, 2003.

7 (2) Inheritance tax upon the transfer of property passing to
8 or for the use of all persons other than those designated in
9 subclause (1), (1.1), (1.2) [or], (1.3) or (1.4) or exempt under
10 section 2111(m) and (s) shall be at the rate of fifteen per
11 cent.

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

16 * * *

17 Section 3. This act shall be retroactive to July 1, 2000.

18 Section 4. This act shall take effect immediately.