

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 835 Session of
1991

INTRODUCED BY ITKIN, BUNT, TRELLO, MARKOSEK, DeLUCA, KOSINSKI,
COLAFELLA, HALUSKA, CORNELL, KENNEY, BELARDI, HARPER, PESCI,
STUBAN, BISHOP, OLASZ, CAPPABIANCA, KASUNIC, PISTELLA,
BATTISTO, MICHLOVIC, FREEMAN, VEON, COLAIZZO, BILLOW, STURLA,
LAUGHLIN, COY, MELIO, JAROLIN, STABACK, COWELL, SAURMAN,
NAHILL, CLARK, FARMER, JOHNSON, BOYES, STRITTMATTER, GEIST,
FARGO, DEMPSEY, M. N. WRIGHT, REBER, ANGSTADT, NOYE, CESSAR,
FLICK, MERRY, FAIRCHILD, PHILLIPS, SEMMEL, VANCE, LEH, HESS,
WILSON, SERAFINI, HAGARTY, E. Z. TAYLOR AND CLYMER,
MARCH 18, 1991

REFERRED TO COMMITTEE ON FINANCE, MARCH 18, 1991

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, further providing for
3 employment benefits.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 1711(r) of Title 72 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 1711. Transfers not subject to tax.

9 * * *

10 (r) Employment benefits.--Payments under pension, stock
11 bonus, profit-sharing and other retirement plans including, but
12 not limited to, H.R.10 plans, individual retirement accounts,
13 individual retirement annuities and individual retirement bonds
14 to distributees designated by decedent or designated in

1 accordance with the terms of the plan, are exempt from
2 inheritance tax to the extent that decedent before his death did
3 not otherwise have the right to possess (including proprietary
4 rights at termination of employment), enjoy, assign or
5 anticipate the payment made. In addition to this exemption,
6 whether or not the decedent possessed any of these rights, the
7 payments are exempt from inheritance tax:

8 (1) if the sole distributee is the spouse of the
9 decedent; or

10 (2) to the same extent that they are exempt from Federal
11 estate tax under the provisions of the Internal Revenue Code
12 of 1954, as amended, any supplement to the code, or any
13 similar provision in effect from time to time for Federal
14 estate tax purposes, except that a payment, which would
15 otherwise be exempt for Federal estate tax purposes if it had
16 not been made in a lump-sum or other nonexempt form of
17 payment, shall be exempt from inheritance tax even though
18 paid in a lump-sum or other form of payment.

19 The proceeds of life insurance otherwise exempt under subsection
20 (d) shall not be subject to inheritance tax because they are
21 paid under a pension, stock bonus, profit-sharing, H.R.10 or
22 other retirement plan.

23 Section 2. This act shall take effect in 60 days.