

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 506 Session of
1993

INTRODUCED BY DENT, CHADWICK, FARGO, THOMAS, GEORGE, SEMMEL,
FARMER, GODSHALL, DeLUCA, PITTS, FLICK, MARSICO, BUSH,
KENNEY, DEMPSEY, JADLOWIEC, FAIRCHILD, VANCE, SCHEETZ,
WOZNIAK, MARKOSEK, HECKLER, BIRMELIN, HALUSKA, MAITLAND,
NAILOR, J. TAYLOR, ULIANA, BATTISTO, ROBERTS, BROWN, STERN,
YANDRISEVITS, FAJT, CESSAR, HASAY, MASLAND, HESS, MAYERNIK,
TULLI, ARGALL, BAKER, CARONE, GRUPPO, WOGAN, TRELLO,
COLAIZZO, NYCE, MICOZZIE, LAWLESS, PETTIT, TOMLINSON,
B. SMITH, JAROLIN, PLATTS, FICHTER, CLYMER, SAURMAN, GANNON,
PESCI, HERSHEY, M. N. WRIGHT, LEH, MERRY, CLARK, McGEEHAN,
BUNT, BARLEY, ALLEN, CORNELL, O'BRIEN, E. Z. TAYLOR, GERLACH,
MELIO, RAYMOND, ROHRER, CAWLEY, ARMSTRONG, SCHULER, KING,
GLADECK, KASUNIC, MILLER, LYNCH, COLAFELLA, LAUGHLIN, ADOLPH,
PETRARCA, L. I. COHEN, KIRKLAND, ROONEY, GEIST AND CIVERA,
MARCH 15, 1993

REFERRED TO COMMITTEE ON FINANCE, MARCH 15, 1993

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," exempting spousal transfers from inheritance
11 taxation.

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

14 Section 1. Sections 2108(b), 2111(m), 2216(a) and 2130(1)
15 and (2) of the act of March 4, 1971 (P.L.6, No.2), known as the
16 Tax Reform Code of 1971, added August 4, 1991 (P.L.97, No.22),

1 are amended to read:

2 Section 2108. Joint Tenancy.--* * *

3 (b) [Except as provided in subsection (c), this] This
4 section shall not apply to property and interests in property
5 passing by right of survivorship to the survivor of husband and
6 wife.

7 * * *

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

9 (m) Transfers of property to or for the use of a husband or
10 wife of the decedent are exempt from inheritance tax. Property
11 owned by husband and wife with right of survivorship is exempt
12 from inheritance tax. [If the ownership was created within the
13 meaning of section 2107(c)(3), the entire interest transferred
14 shall be subject to tax under section 2107(c)(3) as though a
15 part of the estate of the spouse who created the co-ownership.]

16 * * *

17 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
18 upon the transfer of property passing to or for the use of any
19 of the following shall be at the rate of six per cent:

20 (i) grandfather, grandmother, father, mother[, husband,
21 wife] and lineal descendants; or

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

23 (1.1) There shall be no inheritance tax upon the transfer of
24 property passing to or for the use of a husband or wife.

25 (2) Inheritance tax upon the transfer of property passing to
26 or for the use of all persons other than those designated in
27 subclause (1) or (1.1) or exempt under section 2111(m) shall be
28 at the rate of fifteen per cent.

29 (3) When property passes to or for the use of a husband and
30 wife with right of survivorship, one of whom is taxable at a

1 rate lower than the other, the lower rate of tax shall be
2 applied to the entire interest.

3 * * *

4 Section 2130. Deductions Not Allowed.--The following are not
5 deductible:

6 [(1) The value of assets claimed for the spouse's allowance
7 under 20 Pa.C.S. § 2102 (relating to share of surviving
8 spouse).]

9 (2) Claims of a former [or surviving] spouse, or others,
10 under an agreement between the former [or surviving] spouse and
11 the decedent, insofar as they arise in consideration of a
12 relinquishment or promised relinquishment of marital or support
13 rights.

14 * * *

15 Section 2. This act shall apply to the estates of all
16 decedents dying on or after January 1, 1993, and to inter vivos
17 transfers made by decedents dying on or after January 1, 1993,
18 regardless of the date of the transfer.

19 Section 3. This act shall take effect immediately.