

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2031 Session of 2014

INTRODUCED BY NEUMAN, CALTAGIRONE, BIZZARRO, KOTIK, BARRAR,
COHEN, MULLERY, MCNEILL, W. KELLER, PAINTER, DeLUCA, GILLEN,
LUCAS, DAVIDSON, EVERETT, MUSTIO, THOMAS, LONGIETTI, CUTLER,
MAHONEY, GODSHALL, O'BRIEN, FRANKEL, KORTZ, SNYDER AND DEASY,
FEBRUARY 19, 2014

REFERRED TO COMMITTEE ON JUDICIARY, FEBRUARY 19, 2014

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," in realty transfer tax, further providing for
11 excluded transactions.

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

14 Section 1. Section 1102-C.3 of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 by adding a clause to read:

17 Section 1102-C.3. Excluded Transactions.--The tax imposed by
18 section 1102-C shall not be imposed upon:

19 * * *

20 (9.3) A transfer for no or nominal actual consideration from
21 a donor under an arrangement respecting property or contract

1 rights that is established during the donor's life, under which:

2 (1) the right to possession or enjoyment of the property or
3 to a contractual payment shifts outside of probate to the donee
4 at the donor's death; and

5 (2) substantial lifetime rights of dominion, control,
6 possession or enjoyment are retained by the donor.

7 * * *

8 Section 2. The addition of section 1102-C.3(9.3) of the act
9 shall apply to trusts executed on or after the effective date of
10 this act.

11 Section 3. This act shall take effect in 60 days.