

## AMENDMENTS TO HOUSE BILL NO. 1864

Sponsor: REPRESENTATIVE JOSEPHS

Printer's No. 2401

1 Amend Bill, page 1, line 10, by inserting after "providing"  
2 for definitions,

3 Amend Bill, page 1, line 11, by inserting after "tax"  
4 and for rate of tax

5 Amend Bill, page 1, lines 14 through 16, by striking out all  
6 of said lines and inserting

7 Section 1. Section 2102 of the act of March 4, 1971 (P.L.6,  
8 No.2), known as the Tax Reform Code of 1971, is amended by  
9 adding a definition to read:

10 Section 2102. Definitions.--The following words, terms and  
11 phrases, when used in this article, shall have the meanings  
12 ascribed to them in this section, except where the context  
13 clearly indicates a different meaning:

14 \* \* \*

15 "Domestic partnership." A relationship between two  
16 individuals who:

17 (1) are at least 18 years of age;

18 (2) are not related to each other by blood or marriage  
19 within four degrees of consanguinity;

20 (3) are not married or in a civil union or domestic  
21 partnership with another individual; and

22 (4) agree to be in a relationship of mutual interdependence  
23 in which each individual contributes to the maintenance and  
24 support of the other individual and the relationship, even if  
25 both individuals are not required to contribute equally to the  
26 relationship.

27 \* \* \*

28 Section 2. Section 2111 of the act is amended by adding a  
29 subsection to read:

30 Amend Bill, page 2, by inserting between lines 3 and 4

31 Section 3. Section 2116(a) of the act, amended May 24, 2000  
32 (P.L.106, No.23), is amended to read:

33 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax  
34 upon the transfer of property passing to or for the use of any

1 of the following shall be at the rate of four and one-half per  
2 cent:

- 3 (i) grandfather, grandmother, father, mother, except
- 4 transfers under subclause (1.2), and lineal descendants; or
- 5 (ii) wife or widow and husband or widower of a child.

6 (1.1) Inheritance tax upon the transfer of property passing  
7 to or for the use of a husband or wife shall be:

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

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

12 (1.2) Inheritance tax upon the transfer of property from a  
13 child twenty-one years of age or younger to or for the use of a  
14 natural parent, an adoptive parent or a stepparent of the child  
15 shall be at the rate of zero per cent.

16 (1.3) Inheritance tax upon the transfer of property passing  
17 to or for the use of a sibling shall be at the rate of twelve  
18 per cent.

19 (1.4) Inheritance tax upon the transfer of property passing  
20 from an individual in a domestic partnership to or for the use  
21 of the other individual in the domestic partnership shall be at  
22 the rate of zero per cent for estates of decedents dying on or  
23 after January 1, 2012. The department may require an individual  
24 who asserts a domestic partnership under this subclause to  
25 provide:

26 (i) An affidavit signed under penalty of perjury by two  
27 individuals stating that they have established a domestic  
28 partnership.

29 (ii) Proof of any two of the following existing prior to  
30 death:

31 (A) Joint liability of the individuals for a mortgage, lease  
32 or loan.

33 (B) The designation of one of the individuals as the primary  
34 beneficiary under a life insurance policy on the life of the  
35 other individual or under a retirement plan of the other  
36 individual.

37 (C) The designation of one of the individuals as the primary  
38 beneficiary of the will of the other individual.

39 (D) A durable power of attorney for health care or financial  
40 management granted by one of the individuals to the other  
41 individual.

42 (E) Joint ownership or lease by the individuals of real  
43 estate or a motor vehicle.

44 (F) A joint checking account, joint investments or a joint  
45 credit account.

46 (G) A joint renter's or homeowner's insurance policy.

47 (H) Coverage on a health insurance policy.

48 (I) Joint responsibility for child care, such as  
49 guardianship or school documents.

50 (J) A relationship or cohabitation contract.

51 (2) Inheritance tax upon the transfer of property passing to

1 or for the use of all persons other than those designated in  
2 subclause (1), (1.1), (1.2) [or], (1.3) or (1.4) or exempt under  
3 section 2111(m) shall be at the rate of fifteen per cent.

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

8 \* \* \*

9 Amend Bill, page 2, line 4, by striking out "2" and inserting  
10 4

11 Amend Bill, page 2, line 6, by striking out "3" and inserting  
12 5