

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 169 Session of
2005

INTRODUCED BY CORMAN, RHOADES, WONDERLING, TOMLINSON, KASUNIC,
TARTAGLIONE, KITCHEN, PILEGGI, GREENLEAF, COSTA, ERICKSON,
SCARNATI, M. WHITE, D. WHITE, ORIE, RAFFERTY, ARMSTRONG,
ROBBINS, WAUGH, PUNT AND BOSCOLA, FEBRUARY 7, 2005

REFERRED TO FINANCE, FEBRUARY 7, 2005

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 rate of inheritance tax.

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

13 Section 1. Section 2116(a) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May
15 24, 2000 (P.L.106, No.23), is amended to read:

16 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
17 upon the transfer of property passing to or for the use of any
18 of the following shall be at the rate of [four and one-half per
19 cent:] three and one-half per cent for estates of decedents
20 dying after December 31, 2004, and before January 1, 2006; three
21 per cent for estates of decedents dying after December 31, 2005,

1 and before January 1, 2007; two and one-half per cent for
2 estates of decedents dying after December 31, 2006, and before
3 January 1, 2008; two per cent for estates of decedents dying
4 after December 31, 2007, and before January 1, 2009; one and
5 one-half per cent for estates of decedents dying after December
6 31, 2008, and before January 1, 2010; one per cent for estates
7 of decedents dying after December 31, 2009, and before January
8 1, 2011; and zero per cent for estates of decedents dying after
9 December 31, 2010:

10 (i) grandfather, grandmother, father, mother and lineal
11 descendants; or

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

13 (1.1) Inheritance tax upon the transfer of property passing
14 to or for the use of a husband or wife shall be:

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

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

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

23 (1.3) Inheritance tax upon the transfer of property passing
24 to or for the use of a sibling shall be at the rate of [twelve
25 per cent.] seven per cent for estates of decedents dying after
26 December 31, 2004, and before January 1, 2006; six per cent for
27 estates of decedents dying after December 31, 2005, and before
28 January 1, 2007; five per cent for estates of decedents dying
29 after December 31, 2006, and before January 1, 2008; four per
30 cent for estates of decedents dying after December 31, 2007, and

1 before January 1, 2009; three per cent for estates of decedents
2 dying after December 31, 2008, and before January 1, 2010; two
3 per cent for estates of decedents dying after December 31, 2009,
4 and before January 1, 2011; and zero per cent for estates of
5 decedents dying after December 31, 2010.

6 (2) Inheritance tax upon the transfer of property passing to
7 or for the use of all persons other than those designated in
8 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
9 2111(m) shall be at the rate of [fifteen per cent.] thirteen per
10 cent for estates of decedents dying after December 31, 2004, and
11 before January 1, 2006; twelve per cent for estates of decedents
12 dying after December 31, 2005, and before January 1, 2007;
13 eleven per cent for estates of decedents dying after December
14 31, 2006, and before January 1, 2008; ten per cent for estates
15 of decedents dying after December 31, 2007, and before January
16 1, 2009; eight per cent for estates of decedents dying after
17 December 31, 2008, and before January 1, 2010; six per cent for
18 estates of decedents dying after December 31, 2009, and before
19 January 1, 2011; four per cent for estates of decedents dying
20 after December 31, 2010, and before January 1, 2012; two per
21 cent for estates of decedents dying after December 31, 2011, and
22 before January 1, 2013; and zero per cent for estates of
23 decedents dying after December 31, 2012.

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

28 * * *

29 Section 2. This act shall take effect immediately.