

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 191 Session of  
1999

INTRODUCED BY ALLEN, RYAN, PHILLIPS, PERZEL, ARGALL, LUCYK,  
FAIRCHILD, RAYMOND, FARGO, BOYES, TRELLO, ADOLPH, ARMSTRONG,  
BAKER, BARD, BARLEY, BARRAR, BEBKO-JONES, BELFANTI,  
BENNINGHOFF, BIRMELIN, BROWNE, BUNT, CHADWICK, CIVERA,  
L. I. COHEN, CORNELL, CORRIGAN, COY, DALLY, DEMPSEY,  
DIGIROLAMO, DRUCE, EGOLF, FEESE, FICHTER, FLICK, FORCIER,  
GANNON, GEIST, GLADECK, GODSHALL, HABAY, HALUSKA, HARHART,  
HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, HORSEY, HUTCHINSON,  
JADLOWIEC, KENNEY, KREBS, LAUGHLIN, LEH, LESCOVITZ, LYNCH,  
MAHER, MAITLAND, MAJOR, MARSICO, MASLAND, MAYERNIK, McCALL,  
McGILL, McILHINNEY, McNAUGHTON, MELIO, METCALFE, MICOZZIE,  
R. MILLER, S. MILLER, NAILOR, NICKOL, ORIE, PESCI, PIPPY,  
PLATTS, READSHAW, ROBERTS, ROHRER, ROSS, RUBLEY, SAINATO,  
SATHER, SAYLOR, SCHRODER, SCHULER, SEMMEL, SERAFINI, SEYFERT,  
SHANER, B. SMITH, S. H. SMITH, D. W. SNYDER, STABACK, STAIRS,  
STEIL, STERN, STEVENSON, STRITTMATTER, E. Z. TAYLOR,  
J. TAYLOR, THOMAS, TRAVAGLIO, TULLI, VANCE, WALKO, WILT,  
WOGAN, M. N. WRIGHT, YEWIC, YOUNGBLOOD, ZUG AND TRUE,  
JANUARY 28, 1999

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 1999

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 inheritance tax exclusions  
11 and for inheritance tax.

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

14 Section 1. Section 2111 of the act of March 4, 1971 (P.L.6,

1 No.2), known as the Tax Reform Code of 1971, is amended by  
2 adding a subsection to read:

3 Section 2111. Transfers Not Subject to Tax.--\* \* \*

4 (m.1) For estates of decedents dying after June 30, 2004,  
5 transfers of property to or for the use of any children of the  
6 decedent are exempt from inheritance tax.

7 \* \* \*

8 Section 2. Section 2116(a) of the act, amended June 16, 1994  
9 (P.L.279, No.48) and June 30, 1995 (P.L.139, No.21), is amended  
10 to read:

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

14 (i) grandfather, grandmother, father[, ] or mother [and  
15 lineal descendants; or];

16 (ii) wife or widow and husband or widower of a child[.]; or

17 (iii) except for any children of the decedent, any other  
18 lineal descendants.

19 (1.1) Inheritance tax upon the transfer of property passing  
20 to or for the use of a husband or wife shall be:

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

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

25 (1.2) Inheritance tax upon the transfer of property passing  
26 to or for the use of any children of the decedent shall be at  
27 the rate set forth as follows:

28 (i) Six per cent for estates of decedents dying before July  
29 1, 1999.

30 (ii) Five per cent for estates of decedents dying after June

1   30, 1999, and before July 1, 2000.

2       (iii) Four per cent for estates of decedents dying after  
3   June 30, 2000, and before July 1, 2001.

4       (iv) Three per cent for estates of decedents dying after  
5   June 30, 2001, and before July 1, 2002.

6       (v) Two per cent for estates of decedents dying after June  
7   30, 2002, and before July 1, 2003.

8       (vi) One per cent for estates of decedents dying after June  
9   30, 2003, and before July 1, 2004.

10       (2) Inheritance tax upon the transfer of property passing to  
11 or for the use of all persons other than those designated in  
12 subclause (1) [or], (1.1) or (1.2) or exempt under section  
13 2111(m) or (m.1) shall be at the rate of fifteen per cent.

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

18       \* \* \*

19       Section 3. This act shall be retroactive to July 1, 1999.

20       Section 4. This act shall take effect immediately.