

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1444 Session of
2007

INTRODUCED BY BENNINGHOFF, BAKER, BEAR, BOBACK, BOYD, BROOKS,
CALTAGIRONE, CLYMER, CREIGHTON, DALEY, DeLUCA, EVERETT,
FAIRCHILD, FLECK, GEIST, GINGRICH, GOODMAN, GRELL, HARRIS,
HENNESSEY, HERSHEY, JAMES, KILLION, KOTIK, MACKERETH,
MAHONEY, MAJOR, MARSHALL, MENSCH, METCALFE, MILLARD, MOUL,
MOYER, MUSTIO, PETRARCA, PICKETT, PYLE, READSHAW, ROHRER,
RUBLEY, SAINATO, SOLOBAY, SONNEY, R. STEVENSON, SWANGER,
J. TAYLOR, TURZAI, WANSACZ, WATSON AND YOUNGBLOOD,
SEPTEMBER 25, 2007

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 25, 2007

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 the imposition of
11 inheritance tax, for the rate of inheritance tax and for
12 returns.

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

15 Section 1. Section 2106 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, added August 4,
17 1991 (P.L.97, No.22), is amended to read:

18 Section 2106. Imposition of Tax.--An inheritance tax for the
19 use of the Commonwealth is imposed upon every transfer subject

1 to tax under this article at the rates specified in section
2 2116. This section shall not apply to the estates of decedents
3 dying on or after January 1, 2009.

4 Section 2. Section 2116(a) of the act, amended May 24, 2000
5 (P.L.106, No.23) is amended to read:

6 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
7 upon the transfer of property passing to or for the use of any
8 of the following shall be at the rate of four and one-half per
9 cent[:] for estates of decedents dying before January 1, 2007;
10 at the rate of three per cent for estates of decedents dying on
11 or after January 1, 2007, and before January 1, 2008; at the
12 rate of two per cent for estates of decedents dying on or after
13 January 1, 2008, and before January 1, 2009; at the rate of one
14 per cent for estates of decedents dying on or after January 1,
15 2009, and before January 1, 2010; at the rate of zero per cent
16 for the estates of decedents dying on or after January 1, 2010,
17 and before January 1, 2011:

18 (i) grandfather, grandmother, father, mother, except
19 transfers under subclause (1.2), and lineal descendants; or

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

21 (1.1) Inheritance tax upon the transfer of property passing
22 to or for the use of a husband or wife shall be:

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

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

27 (1.2) Inheritance tax upon the transfer of property from a
28 child twenty-one years of age or younger to or for the use of a
29 natural parent, an adoptive parent or a stepparent of the child
30 shall be at the rate of zero per cent.

1 (1.3) Inheritance tax upon the transfer of property passing
2 to or for the use of a sibling shall be at the rate of twelve
3 per cent[.] for estates of decedents dying before January 1,
4 2007; at the rate of ten per cent for estates of decedents dying
5 on or after January 1, 2007, and before January 1, 2008; at the
6 rate of eight per cent for estates of decedents dying on or
7 after January 1, 2008, and before January 1, 2009; at the rate
8 of five per cent for estates of decedents dying on or after
9 January 1, 2009, and before January 1, 2010; and at the rate of
10 two per cent for estates of decedents dying on or after January
11 1, 2010, and before January 1, 2011.

12 (2) Inheritance tax upon the transfer of property passing to
13 or for the use of all persons other than those designated in
14 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
15 2111(m) shall be at the rate of fifteen per cent[.] for estates
16 of decedents dying before January 1, 2008; at the rate of twelve
17 per cent for estates of decedents dying on or after January 1,
18 2008, and before January 1, 2009, at the rate of eight per cent
19 for estates of decedents dying on or after January 1, 2009, and
20 before January 1, 2010; at the rate of four per cent for estates
21 of decedents dying on or after January 1, 2010, and before
22 January 1, 2011.

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

27 * * *

28 Section 3. Section 2136 of the act is amended by adding a
29 subsection to read:

30 Section 2136. Returns.--* * *

1 (g) This section shall not apply to the estates of decedents
2 dying on or after January 1, 2009, except as referenced by
3 section 2145.

4 Section 4. This act shall take effect immediately.