



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1780

PRINTERS NO. 3057

PRIME SPONSOR: Metzgar

INCREASED / (DECREASED) REVENUE

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	(\$6,700,000)

SUMMARY: House Bill 1780, Printer's Number 3057, amends the Tax Reform Code further providing for inheritance tax.

ANALYSIS: Current law provides that property transferred to lineal heirs is taxed at the rate of 4.5%. This legislation eliminates the inheritance tax on property passing to or for the use of a child 21 years of age or younger from a natural parent, adoptive parent or a stepparent of the child.

The elimination of the tax shall apply to property transferred by a natural parent, adoptive parent or stepparent who dies on or after the effective date of this act. The act shall take effect in 60 days.

FISCAL IMPACT: Enactment of this legislation will have no impact in fiscal year 2011-12 as the effective date will be beyond June 30, 2012. Assuming an effective date of August 1, 2012, it is estimated that the elimination of the tax on such transfers to a child 21 years of age or younger will result in the loss of \$6.7 million to the General Fund in fiscal year 2012-13.

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House Appropriations Committee (R)

DATE: May 4, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.