



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1864

PRINTERS NO. 2401

PRIME SPONSOR: Bloom

REVENUE INCREASE / (DECREASE)

FUND	FY 2011/12	FY 2012/13
General Fund	(\$2,100,000)	(\$3,100,000)

SUMMARY: House Bill 1864, Printer's Number 2401, amends the Tax Reform Code of 1971, further providing in inheritance tax for transfers not subject to tax.

ANALYSIS: This legislation provides that a transfer of an agricultural commodity, agricultural conservation easement, agricultural reserve, agricultural use property or a forest reserve to lineal descendants or siblings is exempt from inheritance tax.

The act takes effect immediately and applies to estates of decedents dying after June 30, 2011.

FISCAL IMPACT: Enactment of this legislation is estimated to reduce General Fund revenues by \$2.1 million in 2011-12 and \$3.1 million in 2012-13. Transfers to lineal heirs are currently taxed at the rate of 4.5% while transfers to siblings are taxed at the rate of 12%.

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House Appropriations Committee (R)

DATE: December 9, 2011

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