



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 971

PRINTERS NO. 1227

PRIME SPONSOR: Metzgar

### REVENUE INCREASE / (DECREASE)

FUND	FY 2015/16	FY 2016/17
General Fund	\$0	(\$6,600,000)

**SUMMARY:** House Bill 971, Printer's Number 1227, amends the Tax Reform Code further providing for inheritance tax rate.

**ANALYSIS:** This legislation adds Section 2116(a)(1.4) providing that the transfer of property to or for the use of a child twenty-one years of age or younger from a natural parent, an adoptive parent or a stepparent of the child shall be exempt from the inheritance tax.

The act shall take effect in 60 days and the exclusion from the inheritance tax shall apply to property transferred by a decedent who dies on or after the effective date of this section.

**FISCAL IMPACT:** Assuming the legislation takes effect for decedents dying on or after July 1, 2016, enactment of this legislation will have no adverse fiscal impact on Commonwealth Funds in 2015-16. The estimated reduction to General Fund revenues in 2016-17 is \$6.6 million.

**PREPARED BY:** Ritchie LaFaver  
House Appropriations Committee (R)

**DATE:** March 21, 2016

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