



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2303

PRINTERS NO. 3458

PRIME SPONSOR: Corr

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0

SUMMARY: House Bill 2303, Printer's Number 3458, amends the Tax Reform Code providing for revocable trusts to be treated as part of the estate for purposes of filing personal income tax returns.

ANALYSIS: This legislation adds Section 336.3 allowing the executor of an estate and the trustee of a qualified revocable trust the option of treating the trust as part of the estate for all taxable years ending after a decedent's death and before the applicable date. Current law provides that the decedent's estate and revocable trust are treated as two separate entities and must file two separate tax returns for personal income tax purposes.

If the executor and trustee agree to have the estate and revocable trust taxed as a single entity, the legislation requires that this election shall be made prior to the deadline of the tax filing for the first taxable year after the decedent's death.

The act shall take effect in 60 days. The addition of Section 336.3 shall apply to tax years beginning after December 31, 2018.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: October 17, 2018

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