



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 262

PRINTERS NO. 233

PRIME SPONSOR: Metzgar

REVENUE INCREASE / (DECREASE)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	(\$7,800,000)

SUMMARY: House Bill 262, Printer's Number 233, amends the Tax Reform Code further providing for an exemption from the inheritance tax.

ANALYSIS: This legislation provides an exemption from the inheritance tax for a transfer of property to or for the use of a child twenty-one years of age or younger from a natural parent, adoptive parent or stepparent of the child. The current tax rate is 4.5% on such transfers.

The act takes effect in 60 days and applies to property transferred by a decedent who dies on or after the effective date.

FISCAL IMPACT: Assuming the legislation takes effect for decedents dying on or after July 1, 2019, enactment of this legislation will have no adverse fiscal impact on Commonwealth Funds in fiscal year 2018-19. It is estimated that this legislation would result in the loss of \$7.8 million in fiscal year 2019-20.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: April 12, 2019

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