

GORDON DENLINGER, MEMBER
99TH LEGISLATIVE DISTRICT

☐ PO BOX 202099
HARRISBURG, PENNSYLVANIA 17120-2099
PHONE: (717) 787-3531
FAX: (717) 705-1951
E-mail: gdenling@pahousegop.com

☐ 607 EAST MAIN STREET
EPHRATA, PENNSYLVANIA 17522
PHONE: (717) 733-4002
FAX: (717) 733-3992



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES


AGRICULTURE AND RURAL AFFAIRS
APPROPRIATIONS
SUB COMMITTEE CHAIRMAN,
CRIMINAL JUSTICE
FINANCE
POLICY
CO-CHAIRMAN, BUDGET AND
ECONOMIC POLICY TASK FORCE

CAUCUSES

FIREFIGHTERS
HISTORY
PENN STATE
SPORTSMEN'S
MUHLENBERG GERMAN-AMERICAN

MEMORANDUM

DATE: January 10, 2011

FROM: Representative Gordon R. Denlinger 

TO: All House Members

SUBJECT: Reintroduction of Legislation
(**Prior HB 836** – Phase out of Inheritance Tax)

The Pennsylvania inheritance and estate tax is imposed by Article XXI of the Tax Reform Code of 1971 (Act 1971-2). The inheritance tax is imposed on the transfer of certain property as of the death of the transferor. This tax, by its terms is not imposed on people; but on the transfer of property. However, people must pay the tax. The imposition and the rate on property passing to various beneficiary classes have evolved over the years. Starting in 1826, siblings and collateral heirs were subject to a rate of 2.5%. Currently the inheritance tax rates are 0% (Spouses), 4.5% (Lineal heirs), 12% (Siblings) and 15% (Collateral heirs).

The inheritance tax reduces savings and hinders economic growth. This tax punishes success and creates an undue burden to family farmers and small family business, by making it more difficult to pass on these assets to the next generation who can continue the business. In addition, this wealth has already been taxed through income taxes. The inheritance tax is unfair double taxation.

I intend to reintroduce legislation that would completely phase out the inheritance tax by the year 2015. The increments of phase out would be as follows:

- Lineal heirs
 - 4.5 %- dying before or during calendar year 2013
 - 2%- dying during calendar year 2014
 - 0%- dying after calendar year 2015
- Siblings
 - 12%- dying before or during calendar year 2010
 - 9%- dying during calendar year 2011

- 6%- dying during calendar year 2012
- 4.5%- dying during calendar year 2013
- 2%- dying during calendar year 2014
- 0%- dying during or after calendar year 2015
- Collateral heirs
 - 15%- before or during calendar year 2010
 - 10%- dying during calendar year 2011
 - 7%- dying during calendar year 2012
 - 4%- dying during calendar year 2013
 - 2%- dying during calendar year 2014
 - 0%-dying during calendar year 2015

If you would like to be a co-sponsor of this legislation, please contact Jessica Murphy at Jlmurphy@pahousegop.com.

Prior Cosponsors: DENLINGER , WATSON , BAKER , BARRAR , BASTIAN , BENNINGHOFF , BOYD , BUXTON , CALTAGIRONE , CAPPELLI , CLYMER , COX , CREIGHTON , CUTLER , ELLIS , EVERETT , FAIRCHILD , GEIST , GILLESPIE , GINGRICH , N. P. GOODMAN, HARPER , HARRIS , HERSHEY , HESS , HICKERNELL , HORNAMAN , HUTCHINSON , KAUFFMAN , M. KELLER , KILLION , KOTIK , MACKERETH , MAHER , MAJOR , MARKOSEK , MARSHALL , MARSICO , McILHATTAN , MENSCH , METCALFE , MILLARD , R. MILLER , MOYER , MUSTIO , NAILOR , O'NEILL , PERRY , PETRARCA , PETRI , PICKETT , PYLE , RAPP , RAYMOND , READSHAW , REICHLEY , ROAE , ROHRER , ROSS , RUBLEY , SAINATO , SAYLOR , SCAVELLO , SOLOBAY , SONNEY , STERN , R. STEVENSON , TANGRETTI , J. TAYLOR , TURZAI , WANSACZ and WOJNAROSKI