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JAN 25 2011



**Senate of Pennsylvania**  
**RICHARD ALLOWAY, II**  
SENATOR

**COMMITTEES**

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TO: All Senators

FROM: Richard Alloway *Rich*

Date: January 25, 2011

**SUBJECT: UPDATED - Co-Sponsorship Memo: Phasing out of the PA Inheritance Tax**

I plan to reintroduce SB 80 of 2009. The intention of this legislation is to phase out the Pennsylvania Inheritance Tax by 2019. This would be done in a series of phases:

- This legislation would phase out the 4.5% rate that direct descendants (or children) pay by 2014.
- This legislation would also phase out the 12% rate that siblings pay by 2017.
- The 15% rate for other heirs would be phased by 2019.

Pennsylvania is one of the few states that still implement the Inheritance Tax (other states include Indiana, Iowa, Kentucky, Maryland, Nebraska, New Jersey, and Tennessee).

The Pennsylvania Inheritance Tax is an extremely burdensome tax especially to family farms and small business owners.

This bill was previously sponsored by the following Senators: Alloway, Ward, Tomlinson, Robbins, Folmer, Waugh, Vogel, Brubaker, McIlhinney, Earli, Erickson, Greenleaf, Piccola, Orié, Scarnati, Wozniak, Pippy, D. White, Yaw, Boscola, Ferlo and Washington.

Please join me in co-sponsoring this legislation by contacting Melissa Knepper of my staff at 772-2929 or [mknepper@pasen.gov](mailto:mknepper@pasen.gov).