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Senate of Pennsylvania

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August 13, 2012

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TO: All Senators
FROM: Senator Kim Ward
SUBJECT: **Co-sponsorship Memo #13: Inheritance Tax Phase Out**

In the near future, I plan to introduce legislation that would completely phase out the Pennsylvania Inheritance Tax, otherwise known as the 'death tax.'

In 1826, Pennsylvania became the first state to adopt a death tax. Pennsylvania remains one of thirteen states that still impose such a tax. These death taxes are particularly harmful to small businesses and impose a double-tax on all estates.

My legislation would phase out the inheritance tax over a number of years as follows:

- The current tax rate of 4.5% for direct descendents (children) would be reduced to 2% in 2013 and completely phased out by 2014.
- The current tax of 12% for siblings would be reduced by 3% a year until 2016, when it is completely phased out.
- The current tax rate of 15% for all other heirs would be reduced by 3% a year until 2018, when it is completely phased out.

If you would like to co-sponsor this legislation, please contact Tiffany Price by **Wednesday, August 29** in my office at 717-787-6063 or by email at tprice@pasen.gov.

KLW/kek