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## Memorandum

TO: Members of the House of Representatives

FROM: Representative Stephen Bloom

DATE: August 22, 2012

SUBJECT: Co-Sponsorship Memo: "Mom & Pop Shop" Death Tax Elimination

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Pennsylvania remains one of the few states to impose an inheritance or "death" tax on the heirs of its deceased citizens. The death tax inflicts an especially disruptive and destructive burden on our family-owned businesses. This tax on productive assets often results in the forced liquidation of essential business resources (or sometimes even the entire business) to raise the cash necessary to pay the tax bill, all at a time when the business and its employees are most economically vulnerable, in the aftermath of the death of a principal owner. Therefore, I will be introducing legislation to exempt from the inheritance tax the assets of family-owned Pennsylvania businesses being transferred to other family members.

The Governor's Manufacturing Advisory Council yesterday published its formal recommendations in a document entitled "Recommendations to Encourage Growth in Pennsylvania's Manufacturing Sector." One of the key recommendations in the document, specifically item number 10.1.3, is as follows:

"To aid in retention of family-owned manufacturing firms across times of succession, the Commonwealth should reform the Inheritance Tax to allow for family-owned manufacturing firms to transfer business assets to other family members."

My legislation would implement the Council's important job-saving and job-creating recommendation, and would strengthen Pennsylvania's ability to

attract and retain the successful “Mom & Pop Shops” which are the backbone of our economic future.

If you would like to co-sponsor this legislation, please contact my secretary Lauren Withjack at [lwithjac@pahousegop.com](mailto:lwithjac@pahousegop.com) or at 772-2280.