

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 423 Session of 2009

INTRODUCED BY PETRI, BAKER, BEAR, BEYER, BOYD, CALTAGIRONE, DENLINGER, EVERETT, FAIRCHILD, GEIST, GOODMAN, GRELL, GROVE, GRUCELA, HENNESSEY, HESS, HICKERNELL, HUTCHINSON, KILLION, KORTZ, MAJOR, MARSICO, METCALFE, MILLARD, MILNE, MOUL, O'NEILL, PAYNE, PETRARCA, PHILLIPS, PYLE, RAPP, READSHAW, REICHLEY, ROHRER, SOLOBAY, STABACK, STERN, TURZAI, VULAKOVICH AND WATSON, FEBRUARY 13, 2009

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 13, 2009

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for the imposition of
11 inheritance tax, for the rate of inheritance tax and for
12 returns.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 2106 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, added August 4,
17 1991 (P.L.97, No.22), is amended to read:

18 Section 2106. Imposition of Tax.--An inheritance tax for the
19 use of the Commonwealth is imposed upon every transfer subject
20 to tax under this article at the rates specified in section

1 2116. This section shall not apply to the estates of decedents
2 dying on or after January 1, 2013.

3 Section 2. Section 2116(a) of the act, amended May 24, 2000
4 (P.L.106, No.23) is amended to read:

5 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
6 upon the transfer of property passing to or for the use of any
7 of the following shall be at the rate of four and one-half per
8 cent[:] for estates of decedents dying before January 1, 2009;
9 at the rate of three per cent for estates of decedents dying on
10 or after January 1, 2009, and before January 1, 2010; at the
11 rate of two per cent for estates of decedents dying on or after
12 January 1, 2010, and before January 1, 2011; at the rate of one
13 per cent for estates of decedents dying on or after January 1,
14 2011, and before January 1, 2012; and at the rate of zero per
15 cent for the estates of decedents dying on or after January 1,
16 2012, and before January 1, 2013:

17 (i) grandfather, grandmother, father, mother, except
18 transfers under subclause (1.2), and lineal descendants; or

19 (ii) wife or widow and husband or widower of a child.

20 (1.1) Inheritance tax upon the transfer of property passing
21 to or for the use of a husband or wife shall be:

22 (i) At the rate of three per cent for estates of decedents
23 dying on or after July 1, 1994, and before January 1, 1995.

24 (ii) At a rate of zero per cent for estates of decedents
25 dying on or after January 1, 1995.

26 (1.2) Inheritance tax upon the transfer of property from a
27 child twenty-one years of age or younger to or for the use of a
28 natural parent, an adoptive parent or a stepparent of the child
29 shall be at the rate of zero per cent.

30 (1.3) Inheritance tax upon the transfer of property passing

1 to or for the use of a sibling shall be at the rate of twelve
2 per cent[.] for estates of decedents dying before January 1,
3 2009; at the rate of ten per cent for estates of decedents dying
4 on or after January 1, 2009, and before January 1, 2010; at the
5 rate of eight per cent for estates of decedents dying on or
6 after January 1, 2010, and before January 1, 2011; at the rate
7 of five per cent for estates of decedents dying on or after
8 January 1, 2011, and before January 1, 2012; and at the rate of
9 two per cent for estates of decedents dying on or after January
10 1, 2012, and before January 1, 2013.

11 (2) Inheritance tax upon the transfer of property passing to
12 or for the use of all persons other than those designated in
13 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
14 2111(m) shall be at the rate of fifteen per cent[.] for estates
15 of decedents dying before January 1, 2009; at the rate of twelve
16 per cent for estates of decedents dying on or after January 1,
17 2009, and before January 1, 2010; at the rate of eight per cent
18 for estates of decedents dying on or after January 1, 2010, and
19 before January 1, 2011; and at the rate of four per cent for
20 estates of decedents dying on or after January 1, 2011, and
21 before January 1, 2012.

22 (3) When property passes to or for the use of a husband and
23 wife with right of survivorship, one of whom is taxable at a
24 rate lower than the other, the lower rate of tax shall be
25 applied to the entire interest.

26 * * *

27 Section 3. Section 2136 of the act is amended by adding a
28 subsection to read:

29 Section 2136. Returns.--* * *

30 (g) This section shall not apply to the estates of decedents

1 dying on or after January 1, 2013, except as referenced by
2 section 2145.

3 Section 4. This act shall take effect immediately.