

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 80 Session of 2009

INTRODUCED BY ALLOWAY, WARD, TOMLINSON, ROBBINS, FOLMER, WAUGH, VOGEL, BRUBAKER, McILHINNEY, EARLL, ERICKSON, WONDERLING, GREENLEAF, PICCOLA, ORIE, SCARNATI, WOZNIAK, PIPPY AND LOGAN, JANUARY 29, 2009

REFERRED TO FINANCE, JANUARY 29, 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 and for returns.

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

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

17 Section 2106. Imposition of Tax.--An inheritance tax for the
 18 use of the Commonwealth is imposed upon every transfer subject
 19 to tax under this article at the rates specified in section
 20 2116. This section shall not apply to the estates of decedents
 21 dying on or after January 1, 2017.

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

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

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

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

16 (1.1) Inheritance tax upon the transfer of property passing
17 to or for the use of a husband or wife shall be:

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

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

22 (1.2) Inheritance tax upon the transfer of property from a
23 child twenty-one years of age or younger to or for the use of a
24 natural parent, an adoptive parent or a stepparent of the child
25 shall be at the rate of zero per cent.

26 (1.3) Inheritance tax upon the transfer of property passing
27 to or for the use of a sibling shall be at the rate of twelve
28 per cent[.] for estates of decedents dying before January 1,
29 2010; at the rate of ten per cent for estates of decedents dying
30 on or after January 1, 2010, and before January 1, 2011; at the

1 rate of eight per cent for estates of decedents dying on or
2 after January 1, 2011, and before January 1, 2012; at the rate
3 of six per cent for estates of decedents dying on or after
4 January 1, 2012, and before January 1, 2013; at the rate of four
5 per cent for estates of decedents dying on or after January 1,
6 2013, and before January 1, 2014; at the rate of two per cent
7 for estates of decedents dying on or after January 1, 2014, and
8 before January 1, 2015; and at the rate of zero per cent for
9 estates of decedents dying on or after January 1, 2015.

10 (2) Inheritance tax upon the transfer of property passing to
11 or for the use of all persons other than those designated in
12 subclause (1), (1.1), (1.2) or (1.3) or exempt under section
13 2111(m) shall be at the rate of fifteen per cent[.] for estates
14 of decedents dying before January 1, 2010; at the rate of
15 thirteen percent for estates of decedents dying on or after
16 January 1, 2010, and before January 1, 2011, at the rate of
17 eleven per cent for estates of decedents dying on or after
18 January 1, 2011, and before January 1, 2012; at the rate of nine
19 per cent for estates of decedents dying on or after January 1,
20 2012, and before January 1, 2013; at the rate of seven per cent
21 for estates of decedents dying on or after January 1, 2013, and
22 before January 1, 2014; at the rate of five per cent for estates
23 of decedents dying on or after January 1, 2014, and before
24 January 1, 2015; at the rate of three per cent for estates of
25 decedents dying on or after January 1, 2015, and before January
26 1, 2016; at the rate of one per cent for estates of decedents
27 dying on or after January 1, 2016, and before January 1, 2017;
28 and at the rate of zero per cent for estates of decedents dying
29 on or after January 1, 2017.

30 (3) When property passes to or for the use of a husband and

1 wife with right of survivorship, one of whom is taxable at a
2 rate lower than the other, the lower rate of tax shall be
3 applied to the entire interest.

4 * * *

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

7 Section 2136. Returns.--* * *

8 (g) This section shall not apply to the estates of decedents
9 dying on or after January 1, 2017, except as referenced by
10 section 2145.

11 Section 4. This act shall take effect immediately.