

1 Section 2111. Transfers Not Subject to Tax.--* * *

2 (t) The following shall apply:

3 (1) A transfer of all business assets, including real estate
4 between members of the same family, provided that:

5 (i) After the transfer, all assets, including real estate,

6 continue to be devoted to the same business BY MEMBERS OF THE <--

7 SAME FAMILY for a period of five years beyond the transferor's

8 date of death. An asset under this article which is no longer

9 devoted to the same business BY MEMBERS OF THE SAME FAMILY <--

10 within five years beyond the transferor's date of death shall be

11 subject to inheritance tax due the Commonwealth under section

12 2107, in the amount that would have been paid or payable on the

13 basis of valuation authorized under section 2121 for nonexempt

14 transfers of property, plus interest accruing as of the

15 transferor's date of death, at the rate established in section

16 2143.

17 (ii) A tax imposed under section 2107 shall be a lien in

18 favor of the Commonwealth upon the property no longer being

19 devoted to the same use, collectible in the manner provided for

20 by law for the collection of delinquent taxes, including the

21 personal obligation of the owner of the property at the time of

22 the change of use.

23 (iii) Every owner of any asset exempt under this subsection

24 shall certify to the department on an annual basis that the

25 asset qualifies for this exemption and shall notify the

26 department within thirty days of any transaction or occurrence

27 causing any asset to fail to qualify for the exemption. Each

28 year the department shall inform all owners of their obligation

29 to provide an annual certification under this subparagraph. The

30 certification and notification shall be completed in the form

1 and manner as provided by the department.

2 (2) Subclause (1) shall apply to the transfer of assets
3 BETWEEN MEMBERS OF THE SAME FAMILY if the business is owned <--
4 wholly by members of the same family before the transfer. For
5 the purposes of this subsection, business assets shall also
6 include any asset leased to a business owned wholly by members
7 of the same family before the transfer by a member of the same
8 family.

9 Section 2. The addition of section 2111(t) of the act shall
10 apply to the estates of decedents dying after June 30, 2013.

11 Section 3. This act shall take effect in 60 days.