

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 496 Session of 2013

INTRODUCED BY ALLOWAY, YAW, GREENLEAF, KASUNIC, FOLMER, FONTANA, BREWSTER, TOMLINSON, RAFFERTY, WAUGH, MENSCH, HUTCHINSON, ERICKSON, COSTA, McILHINNEY, VOGEL, EICHELBERGER, SOLOBAY, BAKER AND BRUBAKER, FEBRUARY 13, 2013

REFERRED TO FINANCE, FEBRUARY 13, 2013

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," in inheritance tax, further providing for the
 11 imposition of tax, for the rate of inheritance 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.--(a) An inheritance tax
 19 for the use of the Commonwealth is imposed upon every transfer
 20 subject to tax under this article at the rates specified in
 21 section 2116.

22 (b) This section shall not apply to the estates of decedents

1 dying on or after January 1, 2021.

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

4 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax
5 upon the transfer of property passing to or for the use of any
6 of the following shall be at the rate of four and one-half per
7 cent[:] for estates of decedents dying before January 1, 2014;
8 at the rate of two and one-half per cent for estates of
9 decedents dying on or after January 1, 2014, and before January
10 1, 2015; and at the rate of one-half per cent for estates of
11 decedents dying on or after January 1, 2015, and before January
12 1, 2016; and at the rate of zero per cent for estates of
13 decedents dying after January 1, 2016:

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

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

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

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

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

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

27 (1.3) Inheritance tax upon the transfer of property passing
28 to or for the use of a sibling shall be at the rate of twelve
29 per cent[.] for estates of decedents dying before January 1,
30 2014; at the rate of ten per cent for estates of decedents dying

1 on or after January 1, 2014, and before January 1, 2015; at the
2 rate of eight per cent for estates of decedents dying on or
3 after January 1, 2015, and before January 1, 2016; at the rate
4 of six per cent for estates of decedents dying on or after
5 January 1, 2016, and before January 1, 2017; at the rate of four
6 per cent for estates of decedents dying on or after January 1,
7 2017, and before January 1, 2018; at the rate of two per cent
8 for estates of decedents dying on or after January 1, 2018, and
9 before January 1, 2019; and at the rate of zero per cent for
10 estates of decedents dying on or after January 1, 2019.

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, 2014; at the rate of
16 thirteen percent for estates of decedents dying on or after
17 January 1, 2014, and before January 1, 2015, at the rate of
18 eleven per cent for estates of decedents dying on or after
19 January 1, 2015, and before January 1, 2016; at the rate of nine
20 per cent for estates of decedents dying on or after January 1,
21 2016, and before January 1, 2017; at the rate of seven per cent
22 for estates of decedents dying on or after January 1, 2017, and
23 before January 1, 2018; at the rate of five per cent for estates
24 of decedents dying on or after January 1, 2018, and before
25 January 1, 2019; at the rate of three per cent for estates of
26 decedents dying on or after January 1, 2019, and before January
27 1, 2020; at the rate of one per cent for estates of decedents
28 dying on or after January 1, 2020, and before January 1, 2021;
29 and at the rate of zero per cent for estates of decedents dying
30 on or after January 1, 2021.

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

5 * * *

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

8 Section 2136. Returns.--* * *

9 (g) This section shall not apply to the estates of decedents
10 dying on or after January 1, 2021, except as referenced by
11 section 2145.

12 Section 4. This act shall take effect immediately.