

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 331 Session of 2015

INTRODUCED BY WARD, YAW, GREENLEAF, BREWSTER, FONTANA, BAKER, FOLMER, BOSCOLA, SMITH, COSTA, HUTCHINSON, WAGNER, BARTOLOTTA, VULAKOVICH, AUMENT, STEFANO, WOZNIAK, VOGEL, WHITE, RAFFERTY, EICHELBERGER AND BROOKS, JANUARY 26, 2015

REFERRED TO FINANCE, JANUARY 26, 2015

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 inheritance tax.

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

13 Section 1. Section 2116(a) of the act of March 4, 1971  
 14 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May  
 15 24, 2000 (P.L.106, No.23), is amended to read:

16 Section 2116. Inheritance Tax.--(a) (1) Inheritance tax  
 17 upon the transfer of property passing to or for the use of [any  
 18 of the following shall be at the rate of four and one-half per  
 19 cent:

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

1 (ii) wife or widow and husband or widower of a child.] a  
2 grandfather, grandmother, father, mother, except transfers under  
3 subclause (1.2), lineal descendants, wife or widow and husband  
4 or widower of a child shall be at the rate provided in the  
5 following schedule:

6 (i) Four and one-half per cent for the estate of a decedent  
7 dying before or during calendar year 2015.

8 (ii) Two per cent for the estate of a decedent dying during  
9 calendar year 2016.

10 (iii) Zero per cent for the estate of a decedent dying  
11 during or after calendar year 2017.

12 (1.1) Inheritance tax upon the transfer of property passing  
13 to or for the use of a husband or wife shall be:

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

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

18 (1.2) Inheritance tax upon the transfer of property from a  
19 child twenty-one years of age or younger to or for the use of a  
20 natural parent, an adoptive parent or a stepparent of the child  
21 shall be at the rate of zero per cent.

22 (1.3) Inheritance tax upon the transfer of property passing  
23 to or for the use of a sibling shall be at the rate [of twelve  
24 per cent.] provided in the following schedule:

25 (i) Twelve per cent for the estate of a decedent dying  
26 before or during calendar year 2015.

27 (ii) Nine per cent for the estate of a decedent dying during  
28 calendar year 2016.

29 (iii) Six per cent for the estate of a decedent dying during  
30 calendar year 2017.

1 (iv) Three per cent for the estate of a decedent dying  
2 during calendar year 2018.

3 (v) Zero percent for the estate of a decedent dying during  
4 or after calendar year 2019.

5 (2) Inheritance tax upon the transfer of property passing to  
6 or for the use of all persons other than those designated in  
7 subclause (1), (1.1), (1.2) or (1.3) or exempt under section  
8 2111(m) shall be at the rate [of fifteen per cent.] provided in  
9 the following schedule:

10 (i) Fifteen per cent for the estate of a decedent dying  
11 before or during calendar year 2016.

12 (ii) Twelve per cent for the estate of a decedent dying  
13 during calendar year 2017.

14 (iii) Nine per cent for the estate of a decedent dying  
15 during calendar year 2018.

16 (iv) Six per cent for the estate of a decedent dying during  
17 calendar year 2019.

18 (v) Three per cent for the estate of a decedent dying during  
19 calendar year 2020.

20 (vi) Zero per cent for the estate of a decedent dying during  
21 or after calendar year 2021.

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 2. This act shall take effect immediately.