

## No. 15

## AN ACT

HB 191

Amending the act of June 15, 1961 (P.L.373), entitled "An act providing for the imposition of certain taxes upon the transfer of property passing from a decedent who was a resident of the Commonwealth at the time of his death or presumed death and of property having its situs in the Commonwealth of a decedent who was a nonresident of the Commonwealth at the time of his death or presumed death; imposing additional taxes to equal Federal Estate Tax Credits; defining and taxing certain transfers made in contemplation of death, or to take effect in possession or enjoyment at or after death; defining as a transfer and taxing the right of survivorship in certain property as to which such right exists; defining and exempting from tax, transfers to certain persons or for certain purposes or of certain property; providing for the valuation of property and interests in property, the transfer of which is subject to tax; defining and allowing deductions from the value of property, the transfer of which is subject to tax; providing for the persons ultimately liable for taxes in the absence of a direction by the decedent to the contrary; providing for the reporting of transfers and collection of taxes; imposing penalties upon banks or other financial institutions for failure to give notice to the Department of Revenue of the death of a party to a joint or trust deposit therein and upon persons who fail to file tax returns and documents; providing for the compromise of taxes in the case of alleged nonresidents of the Commonwealth; making it unlawful for any person to make a false return or report; providing for liens upon real property, the transfer of which is subject to tax, and release thereof; authorizing the Secretary of Revenue to bring suits in other jurisdictions for the collection of taxes, and authorizing officials of other jurisdictions to bring suits in the Commonwealth for the collection of death taxes imposed by their jurisdictions; providing for the refund of taxes to which the Commonwealth is not rightfully or equitably entitled; providing for appeals and protests from the imposition of taxes; regulating the entry into safe deposit boxes of a decedent by certain persons, and providing penalties; dealing with the jurisdiction, powers and procedure of the orphans' court, Secretary of Revenue, Department of Revenue, Attorney General, and register of wills in matters relating to taxes; and citing certain acts for repeal," changing the time for renunciation of transfer, termination of annuity or life estate, filing the return, tax delinquency date, and payment date.

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

Section 1. Sections 406, 505, 703, 711, subsection (a) of section 713 and subsection (a) of section 714, act of June 15, 1961 (P.L.373), known as the "Inheritance and Estate Tax Act of 1961," amended December 22, 1965 (P.L.1205), are amended to read:

Section 406. Renunciation of Transfer.—When any person entitled to a distributive share of an estate, whether under an inter vivos trust, a will, or the intestate law, renounces his right to receive the distributive share within three (3) months after the grant of letters, or within **[fifteen (15)] nine (9)** months after the death of the decedent, whichever first occurs, receiving therefor no consideration, the tax shall be computed as though the persons who benefit by such renunciation were originally designated to be the distributees, conditioned upon adjudication or decree of

distribution expressly confirming distribution to such distributees. Notice of the filing of the account and of its call for audit or confirmation shall include notice to the Department of Revenue. When an unconditional vesting of a future interest does not occur at the decedent's death, the renunciation specified herein of the future interest may be made within three (3) months after the occurrence of the event or contingency which resolves the vesting of such interest in possession and enjoyment.

Section 505. Annuity or Life Estate Terminated Within **[Fifteen (15)] Nine (9)** Months of Decedent's Death.—If an annuity or a life estate is terminated by the death of the annuitant or life tenant or by the happening of a contingency within **[fifteen (15)] nine (9)** months after the death of the transferor, the value of the annuity or estate shall be the value, at the date of the transferor's death, of the amount of the annuity or income actually paid or payable to the annuitant or life tenant during the period he was entitled to the annuity or was in possession of the estate. If an appraisal of an annuity or life estate has been filed before such termination, the appraisal, and any assessment based thereon, shall be revised, in accordance with this section, upon request of any party in interest, including the Commonwealth and the personal representative, insofar as such appraisal, and any assessment based thereon, relates to the valuation of such terminated annuity or life estate, without the necessity of such party in interest following any procedure described in Article X. of this act.

Section 703. Time for Filing Return.—The returns required by section 701 shall be filed within **[fifteen (15)] nine (9)** months after the death of the decedent. At any time prior to the expiration of such **[fifteen (15)] nine (9)** month period, the Secretary of Revenue, in his discretion, may grant an extension of the time for filing of a return for an additional period of six (6) months.

Section 711. Payment Date; In General.—Inheritance tax is due at the date of the decedent's death and (except as provided in section 712) shall become delinquent at the expiration of **[fifteen (15)] nine (9)** months after the decedent's death.

Section 713. Payment Date; Future Interest; **[Fifteen (15)] Nine (9)** Months of Decedent's Death; Contingencies.—

(a) Payment Within **[Fifteen (15)] Nine (9)** Months of Decedent's Death. At any time within **[fifteen (15)] nine (9)** months after the decedent's death, the personal representative or any party in interest may elect, by a writing filed with the register, to have the value of a future interest determined as of the date of decedent's death and to pay the tax assessed thereon. Such tax shall become delinquent at the expiration of **[fifteen (15)] nine (9)** months after the decedent's death. If the future interest is accelerated within **[fifteen (15)] nine (9)** months of decedent's death because of the occurrence of an event described in section 505, the value of the future interest shall be determined by making adjustment for

the value of any prior interest causing such acceleration, computed as provided in section 505.

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Section 714. Payment Date; Future Interest; Payment After [**Fifteen (15)**] *Nine (9)* Months from Decedent's Death; Contingencies.—

(a) Payment After [**Fifteen (15)**] *Nine (9)* Months from Decedent's Death. At any time after [**fifteen (15)**] *nine (9)* months from the decedent's death, and prior to the vesting of a future interest in possession and enjoyment a fiduciary, or any party in interest, may elect, by a writing filed with the register, to have the value of a future interest determined as of the date of the filing of such election and to pay the tax assessed thereon. Such tax shall become delinquent at the expiration of three (3) months from the filing of the election.

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Section 2. This act shall take effect immediately and shall apply to:

(1) The estates of all decedents dying on or after the effective date of this act;

(2) Inter vivos transfers made by decedents dying on or after the effective date of this act regardless of the date of the transfer.

Existing laws shall remain in full force and effect for the estates of all decedents dying before the effective date of this act.

APPROVED—The 17th day of June, A. D. 1971.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 15.



*Secretary of the Commonwealth.*