

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1064 Session of
2013

INTRODUCED BY HANNA, MILLARD, READSHAW, FABRIZIO, MAHONEY,
BARRAR, D. COSTA, CALTAGIRONE, MILLER, PEIFER, KORTZ, HESS,
GILLEN AND DENLINGER, APRIL 2, 2013

REFERRED TO COMMITTEE ON FINANCE, APRIL 2, 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
11 transfers not subject to tax.

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

14 Section 1. Section 2111(s) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, added July
16 2, 2012 (P.L.751, No.85), is amended to read:

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

18 (s) A transfer of real estate devoted to the business of
19 agriculture between members of the same family, provided that
20 after the transfer the real estate continues to be devoted to
21 the business of agriculture for a period of seven years beyond
22 the transferor's date of death and the real estate derives a

1 yearly gross income of at least two thousand dollars (\$2,000),
2 provided that:

3 (1) Any tract of land under this article which is no longer
4 devoted to the business of agriculture within seven years beyond
5 the transferor's date of death shall be subject to inheritance
6 tax due the Commonwealth under section 2107, in the amount that
7 would have been paid or payable on the basis of valuation
8 authorized under section 2121 for nonexempt transfers of
9 property, plus interest thereon accruing as of the transferor's
10 date of death, at the rate established in section 2143.

11 (2) Any tax imposed under section 2107 shall be a lien in
12 favor of the Commonwealth upon the property no longer being
13 devoted to agricultural use, collectible in the manner provided
14 for by law for the collection of delinquent real estate taxes,
15 as well as the personal obligation of the owner of the property
16 at the time of the change of use.

17 (3) Every owner of real estate exempt under this subsection
18 shall certify to the department on an annual basis that the land
19 qualifies for this exemption and shall notify the department
20 within thirty days of any transaction or occurrence causing the
21 real estate to fail to qualify for the exemption. Each year the
22 department shall inform all owners of their obligation to
23 provide an annual certification under this subclause. This
24 certification and notification shall be completed in the form
25 and manner as provided by the department.

26 (4) The requirement that the real estate derives a yearly
27 gross income of at least two thousand dollars (\$2,000) shall not
28 apply to forest land.

29 * * *

30 Section 2. This act shall take effect in 60 days.