
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 303 Session of
2013

INTRODUCED BY PILEGGI, BRUBAKER, MENSCH, FOLMER, SMUCKER,
VULAKOVICH, ARGALL, GREENLEAF, ALLOWAY, RAFFERTY, HUTCHINSON,
ERICKSON, BAKER, TOMLINSON, SOLOBAY, YAW, YUDICHAK, ROBBINS,
WHITE, VOGEL, WARD, WAUGH AND SCHWANK, 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
11 definitions and for exclusions.

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

14 Section 1. Section 2102 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended by
16 adding a definition to read:

17 Section 2102. Definitions.--The following words, terms and
18 phrases, when used in this article, shall have the meanings
19 ascribed to them in this section, except where the context
20 clearly indicates a different meaning:

21 * * *

1 "Small business." An enterprise that has:
2 (1) not more than fifty employes;
3 (2) a net book value of assets totaling less than five
4 million dollars (\$5,000,000) at the beginning or end of the most
5 recent calendar year; and
6 (3) has been operated by a person with an ownership interest
7 of at least seventy-five per cent of the business for a minimum
8 of five years.

9 * * *

10 Section 2. Section 2111 of the act is amended by adding a
11 subsection to read:

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

13 (t) A transfer of a small business and its assets, including
14 real estate, is exempt from inheritance tax provided that the
15 small business is being transferred to one or more members of
16 the same family and the family member maintains the operation of
17 the small business for a minimum of seven years.

18 Section 3. The addition of section 2111(t) of the act shall
19 apply to the estates of decedents who die on or after the
20 effective date of this section.

21 Section 4. This act shall take effect immediately.