

No. 1979-34

AN ACT

HB 25

Amending the act of June 15, 1961 (P.L.373, No.207), 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," adding certain transfers not subject to tax.

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

Section 1. Article III, act of June 15, 1961 (P.L.373, No.207), known as the "Inheritance and Estate Tax Act of 1961," is amended by adding a section to read:

ARTICLE III.

TRANSFERS NOT SUBJECT TO TAX

Section 304.1. Proceeds Obtained by Estates of Vietnam Conflict Veterans.—

(a) The pay and allowances determined by the United States to be due a member of its armed forces for service in the Vietnam Conflict after August 5, 1964 for the period between the date declared by it as the beginning of his

missing in action status to the date determined by it to be the date of his death are exempt from inheritance tax.

(b) In cases where inheritance tax has been assessed and paid on the transfer of such pay and allowances, an application for refund of tax shall be made within two (2) years of the effective date of this section.

Section 2. This act shall take effect immediately and shall apply retroactively to the estates of decedents in which the determined date of death is after August 5, 1964.

APPROVED—The 10th day of July, A. D. 1979.

DICK THORNBURGH