

## No. 1978-289

## AN ACT

## HB 1523

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," further providing for the definitions of "children" and "lineal descendants."

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

Section 1. Clauses (3) and (13) of section 102, act of June 15, 1961 (P.L.373, No.207), known as the "Inheritance and Estate Tax Act of 1961," are amended to read:

Section 102. Definitions.—The following words, when used in this act, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

\* \* \*

(3) "Children" includes adopted children, stepchildren, **[illegitimate children of the mother]** *all children of the natural parents*, and the children of the natural parent who are adopted by his spouse. It does not include **[illegitimate children of the father or]** adopted children in the natural family, except as above set forth.

\* \* \*

(13) "Lineal descendants" includes *all children of the natural parents* and their descendants, adopted descendants and their descendants, stepchildren, **[illegitimate descendants of the mother and their descendants,]** and children and their descendants of the natural parent who are adopted by his spouse. It does not include descendants of stepchildren**[, illegitimate children of the father and their descendants,]** or adopted children and their descendants in the natural family, except as above set forth.

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Section 2. This act shall take effect in 60 days but it shall not apply to estates which were closed prior to the effective date of this act.

APPROVED—The 26th day of November, A. D. 1978.

MILTON J. SHAPP