

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 883 Session of 2013

INTRODUCED BY DENLINGER, LAWRENCE, TURZAI, SAYLOR, REED, STERN, BLOOM, TALLMAN, KAUFFMAN, DUNBAR, BAKER, BARRAR, AUMENT, MILLARD, C. HARRIS, ROSS, MOUL, M. K. KELLER, MILLER, GINGRICH, EVERETT, GROVE, CUTLER, ROCK, MILNE, BENNINGHOFF, GILLEN, SANKEY, MACKENZIE, CLYMER AND GABLER, APRIL 17, 2013

REFERRED TO COMMITTEE ON FINANCE, APRIL 17, 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 sales tax, further providing for local
 11 receivers of use tax; in personal income tax, further
 12 providing for definitions and for taxability of partners;
 13 providing for tax treatment determined at partnership level
 14 and for tax imposed at partnership level; further providing
 15 for income of a Pennsylvania S corporation, for income taxes
 16 imposed by other states, for general rule, for return of
 17 Pennsylvania S corporation and for requirements concerning
 18 returns, notices, records and statements; in corporate net
 19 income tax, further providing for definitions, for imposition
 20 of tax and for reports and payment of tax; and, in
 21 inheritance tax, further providing for exemption for poverty.

22 The General Assembly of the Commonwealth of Pennsylvania

23 hereby enacts as follows:

24 Section 1. Section 226 of the act of March 4, 1971 (P.L.6,
 25 No.2), known as the Tax Reform Code of 1971, is repealed:

26 [Section 226. Local Receivers of Use Tax.--Beginning on and

1 after the effective date of this article, in every county,
2 except in counties of the first class, the county treasurer is
3 hereby authorized to receive use tax due and payable under the
4 provisions of this article from any person other than a
5 licensee. The receiving of such taxes shall be pursuant to rules
6 and regulations promulgated by the department and upon forms
7 furnished by the department. Each county treasurer shall remit
8 to the department all use taxes received under the authority of
9 this section minus the costs of administering this provision not
10 to exceed one per cent of the amount of use taxes received,
11 which amount shall be retained in lieu of any commission
12 otherwise allowable by law for the collection of such tax.]

13 Section 2. Section 301(n.1) and (o.3) of the act, amended
14 July 6, 2006 (P.L.319, No.67), are amended and the section is
15 amended by adding subsections to read:

16 Section 301. Definitions.--Any reference in this article to
17 the Internal Revenue Code of 1986 shall mean the Internal
18 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),
19 as amended to January 1, 1997, unless the reference contains the
20 phrase "as amended" and refers to no other date, in which case
21 the reference shall be to the Internal Revenue Code of 1986 as
22 it exists as of the time of application of this article. The
23 following words, terms and phrases when used in this article
24 shall have the meaning ascribed to them in this section except
25 where the context clearly indicates a different meaning:

26 * * *

27 (d.2) "Corporate item" means an item, including income, gain
28 or loss, deduction or credit determined at the Pennsylvania S
29 corporation level, which is required to be taken into account
30 for a Pennsylvania S corporation's taxable year.

1 * * *

2 (n.2) "Partnership item" means an item, including income,
3 gain or loss, deduction or credit determined at the partnership
4 level, which is required to be taken into account for a
5 partnership's taxable year.

6 [(n.1)] (n.3) "Pennsylvania S corporation" means any small
7 corporation as defined in section 301(s.2) which does not have a
8 valid election under section 307 in effect. A qualified
9 Subchapter S subsidiary owned by a Pennsylvania S corporation
10 shall be treated as a Pennsylvania S corporation without regard
11 to whether an election under section 307 has been made with
12 respect to the subsidiary.

13 * * *

14 (o.3) "Publicly traded partnership" means an entity defined
15 under section 7704 of the Internal Revenue Code of 1986 (Public
16 Law 99-514, 26 U.S.C. § 7704) with equity securities registered
17 with the Securities and Exchange Commission under section 12 of
18 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. §
19 78a).

20 [(o.3)] (o.4) "Qualified Subchapter S subsidiary" means a
21 domestic or foreign corporation which for Federal income tax
22 purposes is treated as a qualified Subchapter S subsidiary, as
23 defined in section 1361(b)(3)(B) of the Internal Revenue Code of
24 1986 (Public Law 99-514, 26 U.S.C. § 1361), as amended to
25 January 1, 2005.

26 Section 3. Section 306 of the act, amended June 22, 2001
27 (P.L.353, No.23), is amended to read:

28 Section 306. Taxability of Partners.--[A] Except as provided
29 under section 306.2, a partnership as an entity shall not be
30 subject to the tax imposed by this article, but the income or

1 gain of a member of a partnership in respect of said partnership
2 shall be subject to the tax and the tax shall be imposed on his
3 share, whether or not distributed, of the income or gain
4 received by the partnership for its taxable year ending within
5 or with the member's taxable year.

6 Section 4. The act is amended by adding sections to read:

7 Section 306.1. Tax Treatment Determined at Partnership
8 Level.--The classification or character of a partnership item
9 shall be determined at the partnership level. This section shall
10 not prohibit the department from adjusting a partner's return.

11 Section 306.2. Tax Imposed at Partnership Level.--(a) A
12 partnership underreporting reportable income by more than one
13 million dollars (\$1,000,000) shall be jointly liable with each
14 partner for any part of a deficiency resulting from the
15 treatment of a partnership item by a partner on that partner's
16 return in a manner that is consistent with the treatment of that
17 partnership item on the partnership return. If the tax is paid
18 by the partner, the department may not collect the tax from the
19 partnership. If the tax is paid by the partnership, the
20 department may not collect the tax from a partner.

21 (b) Subsection (a) shall apply to the following
22 partnerships:

23 (1) A partnership which has eleven or more individual
24 partners.

25 (2) A partnership which has at least one partner which is a
26 corporation, limited liability company, partnership or trust.

27 (3) A partnership which has only individual partners and
28 which elects to be subject to this subsection. The election must
29 be included on the partnership return to be filed with the
30 department.

1 (c) This section shall not apply to a publicly traded
2 partnership.

3 (d) Nothing under this section shall require one partner to
4 be liable for the payment of a tax liability of another partner.

5 (e) Appeals involving a deficiency assessed under this
6 section may only be pursued by the partnership and a
7 reassessment or settlement of tax liability shall be binding on
8 the partners.

9 Section 5. Section 307.8(a) of the act, amended May 7, 1997
10 (P.L.85, No.7), is amended and the section is amended by adding
11 a subsection to read:

12 Section 307.8. Income of a Pennsylvania S Corporation.--(a)
13 A Pennsylvania S corporation shall not be subject to the tax
14 imposed by this article, except as provided under subsection
15 (f), but the shareholders of the Pennsylvania S corporation
16 shall be subject to the tax imposed under this article as
17 provided in this article.

18 * * *

19 (f) (1) A Pennsylvania S corporation underreporting
20 reportable income by more than one million dollars (\$1,000,000)
21 shall be jointly liable with each shareholder for any part of a
22 deficiency resulting from the treatment of a corporate item by
23 any shareholder on the shareholder's return in a manner that is
24 consistent with the treatment of the corporate item on the
25 return of the Pennsylvania S corporation. If the tax is paid by
26 the shareholder, it may not be collected from the
27 corporation.

28 (2) Paragraph (1) shall apply to the following Pennsylvania
29 S corporations:

30 (i) A Pennsylvania S corporation which has eleven or more

1 shareholders.

2 (ii) A Pennsylvania S corporation which elects to be subject
3 to this subsection. The election must be included on the
4 Pennsylvania S corporation return to be filed with the
5 department.

6 (3) Nothing under this section shall require one shareholder
7 to be liable for the payment of a tax liability of another
8 shareholder.

9 (4) Appeals involving the deficiency assessed under this
10 section may be filed only by the Pennsylvania S corporation and
11 a reassessment or settlement of tax liability shall be binding
12 on the shareholders.

13 Section 6. Section 314(a) of the act, amended December 23,
14 1983 (P.L.370, No.90), is amended to read:

15 Section 314. Income Taxes Imposed by Other States.--(a) A
16 resident taxpayer before allowance of any credit under section
17 312 shall be allowed a credit against the tax otherwise due
18 under this article for the amount of any income tax, wage tax or
19 tax on or measured by gross or net earned or unearned income
20 imposed on him or on a Pennsylvania S corporation in which he is
21 a shareholder, to the extent of his pro rata share thereof
22 determined in accordance with section 307.9, by another state
23 with respect to income which is also subject to tax under this
24 article. For purposes of this subsection, the term "state" shall
25 only include a state of the United States and the District of
26 Columbia.

27 * * *

28 Section 7. Section 324 of the act, amended June 22, 2001
29 (P.L.353, No.23), is amended to read:

30 Section 324. General Rule.--(a) When a partnership, estate,

1 trust or Pennsylvania S corporation receives income from sources
2 within this Commonwealth for any taxable year and any portion of
3 the income is allocable to a nonresident partner, beneficiary,
4 member or shareholder thereof, the partnership, estate, trust or
5 Pennsylvania S corporation shall pay a withholding tax under
6 this section at the time and in the manner prescribed by the
7 department; however, notwithstanding any other provision of this
8 article, all such withholding tax shall be paid over on or
9 before the fifteenth day of the fourth month following the end
10 of the taxable year.

11 (b) This section shall not apply to any publicly traded
12 partnership as defined under section 7704 of the Internal
13 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 7704) with
14 equity securities registered with the Securities and Exchange
15 Commission under section 12 of the Securities Exchange Act of
16 1934 (48 Stat. 881, 15 U.S.C. § 78a).

17 Section 8. Section 330.1 of the act, amended or added
18 December 23, 1983 (P.L.370, No.90) and July 13, 1987 (P.L.325,
19 No.59), is amended to read:

20 Section 330.1. Return of Pennsylvania S Corporation.--(a)
21 Every Pennsylvania S corporation shall make a return for each
22 taxable year, stating specifically all items of gross income and
23 deductions, the names and addresses of all persons owning stock
24 in the corporation at any time during the taxable year, the
25 number of shares of stock owned by each shareholder at all times
26 during the taxable year, the amount of money and other property
27 distributed by the corporation during the taxable year to each
28 shareholder, the date of each distribution, each shareholder's
29 pro rata share of each item of the corporation for the taxable
30 year and such other information as the department may require.

1 (b) The return shall be filed on or before thirty days after
2 the date when the corporation's Federal income tax return is
3 due.

4 (c) Every Pennsylvania S corporation shall also submit to
5 the department a true copy of the income tax return filed with
6 the Federal Government at the time the return required under
7 subsection (a) is filed.

8 (d) Each Pennsylvania S corporation required to file a
9 return under subsection (a) for a taxable year shall, on or
10 before the day on which the return for the taxable year was
11 filed, furnish to each person who is a shareholder at any time
12 during the taxable year a copy of one or both of the following
13 showing their share of income and any other information as may
14 be required by the department:

15 (1) The Resident Schedule of Shareholder/Partner/Beneficiary
16 Pass Through Income, Loss and Credits (Schedule RK-1) form.

17 (2) The Nonresident Schedule of
18 Shareholder/Partner/Beneficiary Pass Through Income, Loss and
19 Credits (Schedule NRK-1) form.

20 Section 9. Section 335 of the act, amended or added August
21 31, 1971 (P.L.362, No.93), December 23, 2003 (P.L.250, No.46)
22 and July 2, 2012 (P.L.751, No.85), is amended to read:

23 Section 335. Requirements Concerning Returns, Notices,
24 Records and Statements.--(a) The department may prescribe by
25 regulation for the keeping of records, the content and form of
26 returns, declarations, statements and other documents and the
27 filing of copies of Federal income tax returns and
28 determinations. The department may require any person, by
29 regulation or notice served upon such person, to make such
30 returns, render such statements, or keep such records, as the

1 department may deem sufficient to show whether or not such
2 person is liable for tax under this article.

3 (b) (1) When required by regulations prescribed by the
4 department:

5 (i) Any person required under the authority of this article
6 to make a return, declaration, statement, or other document
7 shall include in such return, declaration, statement or other
8 document such identifying number as may be prescribed for
9 securing proper identification of such person.

10 (ii) Any person with respect to whom a return, declaration,
11 statement, or other document is required under the authority of
12 this article to make a return, declaration, statement, or other
13 document with respect to another person, shall request from such
14 other person, and shall include in any such return, declaration,
15 statement, or other document, such identifying number as may be
16 prescribed for securing proper identification of such other
17 person.

18 (2) For purposes of this section, the department is
19 authorized to require such information as may be necessary to
20 assign an identifying number to any person.

21 (c) (1) Every partnership, estate or trust having a
22 resident partner or a resident beneficiary or every partnership,
23 estate or trust having any income derived from sources within
24 this Commonwealth shall make a return for the taxable year
25 setting forth all items of income, loss and deduction, and such
26 other pertinent information as the department may by regulations
27 prescribe. Such return shall be filed on or before the fifteenth
28 day of the fourth month following the close of each taxable
29 year. For purposes of this subsection, "taxable year" means year
30 or period which would be a taxable year of the partnership if it

1 were subject to tax under this article.

2 (2) Every partnership, estate or trust required to file a
3 return under paragraph (1) shall also file with the department a
4 true copy of the income tax return filed with the Federal
5 Government at the time the return required under paragraph (1)
6 is filed.

7 (3) Every partnership, estate or trust required to file a
8 return under paragraph (1) for any taxable year shall, on or
9 before the day the return is filed, furnish to each partner or
10 nominee for another person or to each beneficiary to whom the
11 income or gains of the estate or trust is taxable, a copy of one
12 or both of the following showing their share of income and any
13 other information as may be required by the department:

14 (i) The Resident Schedule of Shareholder/Partner/Beneficiary
15 Pass Through Income, Loss and Credits (Schedule RK-1) form.

16 (ii) The Nonresident Schedule of
17 Shareholder/Partner/Beneficiary Pass Through Income, Loss and
18 Credits (Schedule NRK-1) form.

19 (4) Failure to file a timely return as required under
20 paragraph (2) and failure to furnish a copy of the returns
21 required under paragraph (3) shall result in a penalty of fifty
22 dollars (\$50) for each individual return or individual copy
23 required.

24 (d) The department may prescribe regulations requiring
25 returns of information to be made and filed on or before
26 February 28 of each year as to the payment or crediting in any
27 calendar year of amounts of ten dollars (\$10) or more to any
28 taxpayer. Such returns may be required of any person, including
29 lessees or mortgagors of real or personal property, fiduciaries,
30 employers and all officers and employes of this Commonwealth, or

1 of any municipal corporation or political subdivision of this
2 Commonwealth having the control, receipt, custody, disposal or
3 payment of interest, rents, salaries, wages, premiums,
4 annuities, compensations, remunerations, emoluments or other
5 fixed or determinable gains, profits or income, except interest
6 coupons payable to bearer. A duplicate of the statement as to
7 tax withheld on compensation required to be furnished by an
8 employer to an employe, shall constitute the return of
9 information required to be made under this section with respect
10 to such compensation.

11 (e) Any person who is required to make a form W-2G return to
12 the Secretary of the Treasury of the United States in regard to
13 taxable gambling or lottery winnings from sources within this
14 Commonwealth shall file a copy of the form with the department
15 by March 1 of each year or, if filed electronically, by March 31
16 of each year.

17 (f) The following apply:

18 (1) Any person who:

19 (i) makes payments of income from sources within this
20 Commonwealth;

21 (ii) makes payments of nonemploye compensation or payments
22 under an oil and gas lease under subparagraph (i) to a resident
23 or nonresident individual, an entity treated as a partnership
24 for tax purposes or a single member limited liability company;
25 and

26 (iii) is required to make a form 1099-MISC return to the
27 Secretary of the Treasury of the United States with respect to
28 the payments shall file a copy of form 1099-MISC with the
29 department and send a copy of form 1099-MISC to the payee by the
30 Federal filing deadline each year.

1 (2) If the payor is required to perform electronic filing
2 for Pennsylvania employer withholding purposes, the form 1099-
3 MISC shall be filed electronically with the department.

4 (g) (1) Every estate, trust, Pennsylvania S Corporation or
5 partnership, other than a publicly traded partnership, shall
6 maintain at the end of the entity's taxable year an accurate
7 list of partners, members, beneficiaries or shareholders. The
8 list shall include the name, current address and tax
9 identification number of all existing partners, members,
10 beneficiaries or shareholders and of all partners, members,
11 beneficiaries or shareholders, who were admitted or who withdrew
12 during the taxable year, including the date of withdrawal and
13 admittance.

14 (2) If the entity under paragraph (1) does not maintain an
15 accurate list as required, the tax, penalty and interest with
16 respect to the entity shall be considered the tax, penalty and
17 interest of the partnership, estate, trust or Pennsylvania S
18 Corporation and of the general partner, tax matters partner,
19 corporate officer or trustee.

20 Section 10. Section 401(3)2(a)(17) of the act, amended
21 September 9, 1971 (P.L.437, No.105), is amended and subclause
22 2(a) of the act is amended by adding a paragraph to read:

23 Section 401. Definitions.--The following words, terms, and
24 phrases, when used in this article, shall have the meaning
25 ascribed to them in this section, except where the context
26 clearly indicates a different meaning:

27 * * *

28 (3) "Taxable income." * * *

29 2. In case the entire business of any corporation, other
30 than a corporation engaged in doing business as a regulated

1 investment company as defined by the Internal Revenue Code of
2 1986, is not transacted within this Commonwealth, the tax
3 imposed by this article shall be based upon such portion of the
4 taxable income of such corporation for the fiscal or calendar
5 year, as defined in subclause 1 hereof, and may be determined as
6 follows:

7 (a) Division of Income.

8 * * *

9 (16.1) Sales, other than sales under paragraphs (16) and
10 (17), are in this State as follows:

11 (A) The sale, lease, rental or other use of real property,
12 if the real property is located in this State. If real property
13 is located both in and outside this State, the sale is in this
14 State based upon the percentage of total assessed value of the
15 real property located in this State.

16 (B) The rental, lease or licensing of tangible personal
17 property, if the customer first obtained possession of the
18 tangible personal property in this State.

19 (C) (I) The sale of service, if the service is delivered to
20 a location in this State. If the service is delivered both to a
21 location in and outside this State, the sale is in this State
22 based upon the percentage of total value of the service
23 delivered to a location in this State.

24 (II) If the state or states of assignment under subparagraph
25 (I) cannot be determined, a service is deemed to be delivered at
26 a customer's billing address in the case of an individual or, in
27 the case of a business, the office of the customer from which
28 the services were ordered in the regular course of the
29 customer's trade or business.

30 (III) If the state or states of assignment under

1 subparagraph (I) or (II) cannot be determined for a customer
2 that is a business, a service is deemed to be delivered to a
3 customer's office billing address.

4 (17) Sales, other than sales [of tangible personal property]
5 under paragraphs (16) and (16.1), are in this State if:

6 (A) The income-producing activity is performed in this
7 State; or

8 (B) The income-producing activity is performed both in and
9 outside this State and a greater proportion of the income-
10 producing activity is performed in this State than in any other
11 state, based on costs of performance.

12 * * *

13 Section 11. Section 402(b) of the act, amended June 29, 2002
14 (P.L.559, No.89), is amended to read:

15 Section 402. Imposition of Tax.--* * *

16 (b) The annual rate of tax on corporate net income imposed
17 by subsection (a) for taxable years beginning for the calendar
18 year or fiscal year on or after the dates set forth shall be as
19 follows:

Taxable Year	Tax Rate
January 1, 1995[, and each taxable year thereafter] <u>to</u> <u>December 31, 2014</u>	9.99%
<u>January 1, 2015, to</u> <u>December 31, 2015</u>	<u>9.89%</u>
<u>January 1, 2016, to</u> <u>December 31, 2016</u>	<u>9.69%</u>
<u>January 1, 2017, to</u> <u>December 31, 2017</u>	<u>9.49%</u>

1	<u>January 1, 2018, to</u>	
2	<u>December 31, 2018</u>	<u>9.29%</u>
3	<u>January 1, 2019, to</u>	
4	<u>December 31, 2019</u>	<u>8.96%</u>
5	<u>January 1, 2020, to</u>	
6	<u>December 31, 2020</u>	<u>8.63%</u>
7	<u>January 1, 2021, to</u>	
8	<u>December 31, 2021</u>	<u>8.3%</u>
9	<u>January 1, 2022, to</u>	
10	<u>December 31, 2022</u>	<u>7.97%</u>
11	<u>January 1, 2023, to</u>	
12	<u>December 31, 2023</u>	<u>7.64%</u>
13	<u>January 1, 2024, to</u>	
14	<u>December 31, 2024</u>	<u>7.31%</u>
15	<u>January 1, 2025, and</u>	
16	<u>each taxable year</u>	
17	<u>thereafter</u>	<u>6.99%</u>

18 * * *

19 Section 12. Section 403(d) of the act, amended October 18,
20 2006 (P.L.1149, No.119), is amended to read:

21 Section 403. Reports and Payment of Tax.--* * *

22 (d) If the officers of any corporation shall neglect, or
23 refuse to make any report as herein required, or shall knowingly
24 make any false report, [the following percentages of the amount
25 of the tax shall be added by the department to the tax
26 determined to be due on the first one thousand dollars (\$1,000)
27 of tax ten per cent, on the next four thousand dollars (\$4,000)
28 five per cent, and on everything in excess of five thousand
29 dollars (\$5,000) one per cent, no such] a penalty of five
30 hundred dollars (\$500) plus an additional one per cent for every

1 dollar of tax determined to be due in excess of twenty-five
2 thousand dollars (\$25,000) shall be added to the tax determined
3 to be due. No amounts added to the tax shall bear any interest
4 whatsoever.

5 * * *

6 Section 13. Section 2112 of the act, amended or added August
7 4, 1991 (P.L.97, No.22), June 16, 1994 (P.L.279, No.48) and June
8 30, 1995 (P.L.139, No.21), is repealed:

9 [Section 2112. Exemption for Poverty.--(a) The General
10 Assembly, in recognition of the powers contained in section 2(b)
11 (ii) of Article VIII of the Constitution of Pennsylvania which
12 provides therein for the establishing as a class or classes of
13 subjects of taxation the property or privileges of persons who
14 because of poverty are determined to be in need of special tax
15 provisions or tax exemptions, hereby declares as its legislative
16 intent and purpose to implement such powers under such
17 Constitutional provision by establishing a tax exemption as
18 hereinafter provided in this section.

19 (b) The General Assembly, having determined that there are
20 persons within this Commonwealth the value of whose incomes and
21 estates are such that the imposition of an inheritance tax under
22 this article would cause them hardship and economic burden and
23 having further determined that poverty is a relative concept
24 inextricably joined with the ability to maintain assets
25 inherited upon the death of a spouse, deems it to be a matter of
26 public policy to provide an exemption from taxation for
27 transfers of property to or for the use of that class of persons
28 hereinafter designated in order to relieve their hardship and
29 economic burden.

30 (c) Any claim for a tax exemption hereunder shall be

1 determined in accordance with the following:

2 (1) The transferee is the spouse of the decedent at the date
3 of death of the decedent.

4 (2) The value of the estate of the decedent does not exceed
5 two hundred thousand dollars (\$200,000) after reduction for
6 actual liabilities of the decedent as evidenced by a written
7 agreement.

8 (3) The average of the joint exemption income of the
9 decedent and the transferee for the three taxable years, as
10 defined in Article III, immediately preceding the date of death
11 of the decedent does not exceed forty thousand dollars
12 (\$40,000).

13 (d) Notwithstanding any other provision of this article,
14 transfers of property to or for the use of any eligible
15 transferee who meets the standards of eligibility established by
16 this section as the test for poverty shall be deemed a separate
17 class subject to taxation and, as such, shall be entitled to the
18 benefit of the following exemptions from taxation on transfers
19 of property as a credit against the tax imposed by this article:

20 (1) For decedents dying on or after January 1, 1992, and
21 before January 1, 1993, the lesser of:

22 (i) Two per cent of the taxable value of the property of the
23 decedent transferred to or for the use of the transferee.

24 (ii) Two per cent of one hundred thousand dollars (\$100,000)
25 of the taxable value of the property of the decedent transferred
26 to or for the use of the transferee.

27 (2) For decedents dying on or after January 1, 1993, and
28 before January 1, 1994, the lesser of:

29 (i) Four per cent of the taxable value of the property of
30 the decedent transferred to or for the use of the transferee.

1 (ii) Four per cent of one hundred thousand dollars
2 (\$100,000) of the taxable value of the property of the decedent
3 transferred to or for the use of the transferee.

4 (3) For decedents dying on or after January 1, 1994, and
5 before January 1, 1995, the lesser of:

6 (i) Six per cent of the taxable value of the property of the
7 decedent transferred to or for the use of the transferee.

8 (ii) Six per cent of one hundred thousand dollars (\$100,000)
9 of the taxable value of the property of the decedent transferred
10 to or for the use of the transferee.

11 (e) For nonresident decedents, the credit provided in this
12 section shall bear the same ratio as that of the decedent's
13 estate in this Commonwealth bears to the decedent's total estate
14 without regard to situs.

15 (f) The credit provided in this section shall not be greater
16 than the tax imposed.

17 (g) This section shall not apply to the estates of decedents
18 dying on or after January 1, 1995.]

19 Section 14. The amendment or addition of sections 301, 306,
20 306.1, 306.2, 307.8, 314, 324, 330.1, 335, 401, 402 and 403 of
21 the act shall apply to tax years beginning after December 31,
22 2013.

23 Section 15. This act shall take effect immediately.