Instructions for REV-1649 Schedule O
Deferral / Election of Spousal Trusts

GENERAL INFORMATION

PURPOSE OF SCHEDULE
Use REV-1649 Schedule O to report all sole use trusts.

FORM INSTRUCTIONS

Estate of
Enter the complete name of the estate as shown on REV-1500, Pennsylvania Inheritance Tax Return.

File Number
Enter the file number of the estate assigned by the Register of Wills as shown on REV-1500, Pennsylvania Inheritance Tax Return.

GENERAL INSTRUCTIONS

Part A Deferring Statement
If the estate is choosing to defer the tax on the trust, the check box must be marked indicating they have read the statement and acknowledge the department's Statement of Policy set forth at 61 PA Code Ch. 94 § 94.3.

Section 9113(a) of the Inheritance & Estate Tax Act of 1991, as amended by Act 23 of 2000 provides for the inclusion of a trust or similar arrangement that benefits only the surviving spouse during the decedent's assets is postponed until the death of the surviving spouse. In situations where the surviving spouse must rely on the trust assets for maintenance income, the trust assets are not depleted by the payment of tax. Instead the assets are preserved in order to provide the maximum income, and principal should an invasion of the principal, if the instrument so authorizes, become necessary for the surviving spouse's benefit. Similarly, when the trust assets are comprised of real property and limited cash assets, the tax does not impose a burden which would necessitate the sale of the real property, which is often the residence of the surviving spouse.

Part B Election to Tax Amounts
If the estate is electing to pay the tax on the sole use trust, the check box must be marked indicating this election.

The estate can elect to include such a trust, or similar arrangement, or portion thereof, as a taxable transfer in the decedent's estate for the surviving spouse's sole use during his or her entire lifetime for which a Section 9113(a) election is made. The value as calculated on REV-1514, Schedule K and REV-1647, Schedule M, net of any deductions allocable to the surviving spouse's interest, should be listed. If the election is made for more than one trust, please specifically identify the individual trusts.

Total
Total all items and enter value here. Enter the value on Line 13, Page 2 of REV-1500.

Note: If you are completing this schedule, fill in oval "Deferral/Election of Spousal Trusts" on REV-1500.