

## PENNSYLVANIA ESTATE TAX GENERAL INFORMATION

Estates that satisfy the following conditions may be subject to Pennsylvania estate tax:

- 1. the decedent was either (I) a resident of Pennsylvania at the time of death or (II) a nonresident who owned or had an interest in real estate or tangible personal property located within Pennsylvania at the time of death;
- 2. the decedent died prior to 2005;
- 3. the decedent's estate owed federal estate tax; and
- 4. the amount of Pennsylvania inheritance tax actually paid by the estate (disregarding interest and the amount of any early payment discount) is less than the maximum Federal credit allowed for state inheritance taxes.

**Important:** For decedents dying on or after Jan. 1, 2005, the Internal Revenue Service revised the Federal Estate Tax Return, IRS Form 706, by eliminating the Federal Credit for State Death Taxes and replacing it with a deduction for death taxes actually paid to the states. As the Federal Credit for State Death Taxes was discontinued, there no longer is a basis for Pennsylvania estate tax. However, the estate tax provisions of Pennsylvania's Inheritance and Estate Tax Act (Section §9145 of the Act, 72 P.S. §9145) remain in effect and provide that any estate required to file an IRS Form 706 must also file a copy of that form, as well as any final communications from the Internal Revenue Service, with the Register of Wills for the county that granted letters testamentary or administration to the estate. If no letters were granted in Pennsylvania, IRS Form 706 and final IRS communications should be filed directly with the Department of Revenue at the following address: Pennsylvania Department of Revenue, Inheritance Tax Division, PO Box 280601, Harrisburg, PA 17128-0601.

**Who Must File:** The personal representative (executor or administrator) appointed by the Register of Wills or the fiduciary charged with the duty of filing a Federal Estate Tax Return (IRS Form 706).

**Place for Filing:** A copy of the Federal Estate Tax Return must be filed with the Register of Wills in the county that granted letters. If no letters were granted in Pennsylvania, the return should be filed directly with the department.

**Time for Filing:** The return is due within one month of filing the Federal Estate Tax Return. The Estate Tax becomes delinquent nine months after the date of death of the decedent.

**Filing of Final Federal Closing Letter:** A copy of the final communication from the IRS must be filed within 30 days of when it is received by the estate, with the person with whom the copy of the original Federal Estate Tax Return was filed.