

**CHAPTER 94. INHERITANCE TAX
PRONOUNCEMENTS—STATEMENTS OF POLICY**

Sec.

- 94.1. [Reserved].
- 94.2. Awards received in reparation for the seizure, theft, requisition or involuntary conversion of the income of victims of Nazi persecution.
- 94.3. Taxation of trusts terminated under 20 Pa.C.S. § 7710.1

§ 94.1. [Reserved].

Source

The provisions of this § 94.1 adopted August 15, 1997, effective August 16, 1997, 27 Pa.B. 4115; reserved December 3, 1999, effective December 4, 1999, 29 Pa.B. 6112. Immediately preceding text appears at serial page (254528).

§ 94.2. Awards received in reparation for the seizure, theft, requisition or involuntary conversion of the income of victims of Nazi persecution.

For decedents dying on or before the date upon which the awards or settlements received by a decedent's estate in reparation for the seizure, theft, requisition or involuntary conversion of the property or income of victims of Nazi persecution are liquidated pursuant to any legally binding settlement or notice, or both, thereof, the assets are determined by the Department to have a value of zero at the decedent transferor's death.

Source

The provisions of this § 94.2 adopted April 16, 1999, effective April 17, 1999, 29 Pa.B. 2037.

§ 94.3. Taxation of trusts terminated under 20 Pa.C.S. § 7710.1.

(a) Effective for Resident and Non-Resident Pennsylvania Inheritance Tax Returns filed on or after July 1, 2012, wherein the person responsible for filing the return has not made an election to prepay tax under section 2113(a) of the Inheritance and Estate Tax Act (act) (72 P. S. § 9113(a)) concerning trust assets reported on the return as part of a qualified spousal trust under section 2113 of the act, the Department will reserve the right to assess Pennsylvania Inheritance Tax at the highest applicable rate in effect at the time the Department issues its initial Notice of Inheritance Tax Appraisalment, Allowance or Disallowance of Deductions and Assessment of Tax, unless the person responsible for filing the return requests a Future Interest Compromise from the Department in conjunction with the filing and in the manner prescribed by the Department.

(b) If a Future Interest Compromise is not requested in accordance with subsection (a), the person responsible for filing the return shall acknowledge in writing, in the form and manner provided by the Department, the person's assumption of liability for inheritance tax consequences that result from the termination

of a trust under 20 Pa.C.S. § 7710.1 (relating to nonjudicial settlement agreements—UTC 111) that occurs after the return has been filed. This assumption of liability applies to a termination made without court approval or notice to the Department. This liability does not apply to a termination made under a specified termination date as contained within the trust instrument provided to the Department.

(c) If a trust has been terminated under 20 Pa.C.S. § 7710.1, without request for a Future Interest Compromise in accordance with subsection (a), the assets of the trust will be valued for Pennsylvania Inheritance Tax purposes as of the date of termination and tax will be due and owing as of the date of termination. Interest will accrue on an inheritance tax liability as of the termination date and in accordance with section 806 of The Fiscal Code (72 P. S. § 806).

Source

The provisions of this § 94.3 adopted November 4, 2011, effective November 5, 2011, 41 Pa.B. 5994.

[Next page is 101-1.]