of any safe deposit box owned solely by a decedent or owned by a decedent and anyone other than a spouse. No inventory is required for safe deposit boxes jointly owned by husband and wife, so long as one spouse remains alive.

Who may enter a safe deposit box after the death of a decedent?

No one is allowed to enter a safe deposit box, not even a joint owner, except to remove a will and/or burial instructions, which must be removed in the presence of a bank employee. The bank employee must complete PA Form REV-487 (Entry Into A Safe Deposit Box To Remove A Will Or Cemetery Deed) to record the entry and mail it to the PA Department of Revenue. The contents of safe deposit boxes must be inventoried before they can be removed.

Who conducts safe deposit box inventories.

The executor or administrator of the estate, or someone with notarized limited power of attorney to represent the executor or administrator, must be present at the inventory. If the decedent and a surviving joint owner owned the box, the surviving owner should be present. Additionally, an attorney representing the estate may be present.

How do I arrange an inventory of a safe deposit box?

An estate representative must provide written notice to the department at least seven days in advance of a safe deposit box inventory. The notice must include the name of the estate and the person entering the box; the name and address of the financial institution where the box is located; and the date and time of entry. The notice must be delivered to the department at the address below by the U.S. Postal Service with return receipt service, and a copy of the notice should be provided to the financial institution where the box is located.

PA Dept. of Revenue
Safe Deposit Box Unit
PO Box 280601
Harrisburg, PA 17128-0601

At the time of entry, the estate representative must provide a statement to the financial institution verifying notice was provided to the department.

Within 20 days to entry, the estate representative must return a completed Safe Deposit Box Inventory form, REV-485, to the department's Safe Deposit Box Unit.

CONTACT INFORMATION

For additional inheritance tax or safe deposit box information, please call 717-787-8327 or write to the following address:

PA Department of Revenue
Bureau of Individual Taxes
PO Box 280601
Harrisburg, PA 17128-0601

FOR GENERAL TAX QUESTIONS:

Online Customer Service Center
www.revenue.state.pa.us

Taxpayer Service & Information Center
Personal Taxes: 717-787-8201

Business Taxes: 717-787-1064

e-Business Center: 717-783-6277

1-888-PATAXES (728-2937)
Touch-tone service is required for this automated 24-hour toll-free line. Call to order forms or check the status of a personal income tax account or property tax/rent rebate.

Automated Forms Ordering Service
1-800-362-2050

Services for Taxpayers with Special Hearing and/or Speaking Needs
1-800-447-3020

Call or visit the Revenue district office nearest you, listed in the government pages of your local phone directory.

Pennsylvania Inheritance Tax & Safe Deposit Boxes

Inheritance tax is imposed as a percentage of the value of a decedent's estate transferred to beneficiaries by will or intestacy. The tax rate varies depending on the relationship of the heir to the decedent.

pennsylvania
DEPARTMENT OF REVENUE

REV-584 PO (04-12)

What is the inheritance tax rate in Pennsylvania?

The rates for Pennsylvania inheritance tax are as follows:

- 0 percent on transfers to a surviving spouse or to a parent from a child aged 21 or younger;
- 4.5 percent on transfers to direct descendants and lineal heirs;
- 12 percent on transfers to siblings; and
- 15 percent on transfers to other heirs, except charitable organizations, exempt institutions and government entities exempt from tax.

Property owned jointly between husband and wife is exempt from inheritance tax.

Who are direct descendants and lineal heirs for the purposes of inheritance tax?

Direct descendants include all natural children of parents and their descendants (whether or not they have been adopted by others), adopted descendants and their descendants and step-descendants.

Lineal heirs include grandfathers, grandmothers, fathers, mothers and their children. Children include natural children (whether or not they have been adopted by others), adopted children and stepchildren.

Is there a discount on inheritance tax?

Inheritance tax becomes due at death and must be reported and remitted before nine months passes from the date of death. If payment is made within three months of the date of death, a 5 percent discount of the tax paid or the tax due, whichever is less, applies.

What property is subject to inheritance tax?

All real and tangible personal property of a PA resident decedent, including but not limited to cash, oil and gas rights, automobiles, furniture, antiques and jewelry located in Pennsylvania at the time of the decedent's death, is taxable. All intangible property of a resident decedent, including stocks, bonds, bank accounts loans receivable, etc., is also taxable, regardless of where it is located at the decedent's death.

In the case of a nonresident decedent, all real and tangible personal property located in Pennsylvania at the decedent's death is taxable. Intangible personal property of a nonresident decedent is not taxable.

Jointly-owned property with right of survivorship, except between husband and wife, including but not limited to real estate, securities and bank accounts, is taxable based on the decedent's interest in the joint property. This interest is calculated by dividing the value of the joint property by the number of joint owners at the time of the decedent's death. Joint property is taxable even in situations where the decedent's name was added as a matter of convenience. Further, if the decedent created the joint interest in the property within a year of his/her death, the full value of the property is taxable in the decedent's estate, less $3,000.

Can funeral expenses and the decedent's unpaid bills be deducted from the amount subject to tax?

Yes, unsatisfied liabilities incurred by the decedent prior to his/her death are deductible against his/her taxable estate. In addition to debts incurred by the decedent or the estate, costs of administration of the estate and funeral and burial expenses are deductible, including attorney fees, fiduciary fees and the cost of the burial lot, tombstone or grave marker.

For the sake of convenience, I put my mother's name on my savings account. Recently my mother died, and now I am told I have to pay inheritance tax on my own money. Is this true?

Under inheritance tax law, the account was jointly owned, since you and your mother had equal access to the account. Therefore, in this case, the survivor is taxed on one-half the amount in the account.

Was the "widows' tax" repealed in Pennsylvania?

The 6 percent tax on transfers to surviving spouses, commonly known as the widows' tax, was eliminated in 1995. Now Pennsylvania widows and widowers pay no tax on assets inherited from deceased spouses.

What is the family exemption and how much can be claimed?

The family exemption is awarded to certain individuals so they may retain or claim certain types of a decedent's property in accordance with Section 3121 of the Probate, Estate and Fiduciaries Code. For decedents who died after Jan. 29, 1995, the family exemption is $3,500.

Who is entitled to claim the family exemption?

The family exemption may be claimed by the spouse of a decedent who was a resident of Pennsylvania. If there is no spouse or if the spouse forfeited his rights, any child of the decedent who is a member of the decedent's household may claim the exemption. In the event there is no spouse or child, the exemption may be claimed by a parent or parents who are members of the decedent's household. The family exemption is allowed against assets passed on with or without a will.

Is an inheritance considered taxable for PA personal income tax purposes?

No, inheritances are not taxable for PA personal income tax purposes. However, if you qualify for Tax Forgiveness, you will need to include as income on PA Schedule SPA the value of any inheritance received the prior year.

If an individual dies before he reaches the age of 59 1/2, is the decedent's IRA or 401K subject to PA inheritance tax?

IRAs are not subject to inheritance tax, unless the decedent was considered disabled. For 401Ks, the same provision applies unless the owner of a plan could have closed out the plan during his lifetime. For most plans, the right to close out is not realized until the retirement age is reached, usually 62 or 65 years of age.

Who files the inheritance tax return?

Inheritance tax returns must be filed within nine months of a decedent's death by the person named in the will as executor or the individual approved as administrator by the Register of Wills, in cases where no will exists at death. If no executor or administrator is named and property or transfers exist, then the person(s) receiving the property must file and pay the tax.

Where is the inheritance tax return to be filed?

If the decedent was a Pennsylvania resident at death, the inheritance tax return must be filed in duplicate with the register of wills in the decedent's county of residence.

If the decedent was not a resident of Pennsylvania but had assets located in Pennsylvania, the inheritance tax return must either be filed in duplicate with the register of wills of the county where assets are located, to obtain letters testamentary or letters of administration, or the return must be filed directly with the PA Department of Revenue, when letters testamentary or letters of administration are provided by a jurisdiction outside Pennsylvania.

Do safe deposit boxes have to be inventoried after someone dies?

Yes. Because safe deposit boxes may contain assets subject to Pennsylvania inheritance tax, the law requires an inventory prior to the removal of contents