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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2303 Session of  
2018

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INTRODUCED BY CORR, BERNSTINE, CORBIN, DALEY, DUNBAR, HILL-  
EVANS, B. MILLER, PICKETT, M. QUINN, RYAN AND SCHEMEL,  
APRIL 30, 2018

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REFERRED TO COMMITTEE ON FINANCE, APRIL 30, 2018

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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 personal income tax, providing for revocable  
11 trusts treated as part of estate.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding a section to  
16 read:

17 Section 336.3. Revocable Trusts Treated as Part of Estate.--

18 (a) For purposes of this article, if both the executor of an  
19 estate and the trustee of a qualified revocable trust elect the  
20 treatment provided under this section, the trust shall be  
21 treated and taxed as part of the estate and not as a separate  
22 trust for all taxable years of the estate ending after the date

1 of the decedent's death and before the applicable date.

2 (b) The election under subsection (a) shall be made not  
3 later than the time prescribed for filing the return of tax  
4 imposed under this article for the first taxable year of the  
5 estate, determined with regard to extensions and, once made,  
6 shall be irrevocable.

7 (c) As used in this section, the following words and phrases  
8 shall have the meanings given to them in this subsection unless  
9 the context clearly indicates otherwise:

10 "Applicable date" means:

11 (1) if no return of tax imposed by Article XXI is required  
12 to be filed, the date which is two years after the date of the  
13 decedent's death; or

14 (2) if a return of tax imposed by Article XXI is required to  
15 be filed, the date which is six months after the date of the  
16 final determination of the liability for tax imposed by Article  
17 XXI.

18 "Qualified revocable trust" means any trust or portion of a  
19 trust which was treated under section 2107(c)(7) as owned by the  
20 decedent of the estate referred to in subsection (a) by reason  
21 of a power in the grantor.

22 Section 2. The addition of section 336.3 of the act shall  
23 apply to tax years beginning after December 31, 2018.

24 Section 3. This act shall take effect in 60 days.