

FISCAL NOTE

April 19, 2019

Bill No:	SB 27	Printer's No:	6	Sponsor:	Brooks (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- Lost Revenue	See "FISCAL IMPACT"	\$5.8 million

SUMMARY: HB 27 amends the Tax Reform Code to gradually phase out the inheritance tax on transfers of property to a sibling.

ANALYSIS: HB 27 gradually reduces the inheritance tax rate on transfers of property to a sibling to 0% by Fiscal Year 2026-2027. Currently, these transfers of property are taxed at a rate of 12%. The following table demonstrates the schedule of the incremental phase out of the inheritance tax rate on these property transfers:

Fiscal Year	Tax Rate
2018-2019	12%
2019-2020	11%
2020-2021	10%
2021-2022	9%
2022-2023	8%
2023-2024	6%
2024-2025	4%
2025-2026	2%
2026-2027	0%

SB 27 takes effect immediately.

FISCAL IMPACT: HB 27 would cause a reduction in tax revenue that will increase in all future fiscal years as the inheritance tax rate on these property transfers decreases. The following table demonstrates the impact to the General Fund over the next 12 years:

Fiscal Year	Lost Revenue
2019-2020	\$ 5.8 million
2020-2021	\$ 15.0 million
2021-2022	\$ 25.0 million
2022-2023	\$ 35.2 million
2023-2024	\$ 51.9 million
2024-2025	\$ 73.0 million
2025-2026	\$ 95.2 million
2026-2027	\$118.7 million

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2027-2028	\$130.0 million
2028-2029	\$134.0 million
2029-2030	\$137.4 million
2030-2031	\$140.0 million