Meeting Notes of the Philadelphia Bar Association's
Probate and Trust Section's Tax Committee
Tuesday October 4, 2011 at 4 pm

PA Department of Revenue Panel Members:

Warren Klunk, Director, Bureau of Individual Taxes
Mary-Jo Mullen, Chief, Inheritance Tax and Realty Transfer Tax
Laurel Fulmer, Supervisor, Post Assessment and Document Processing Unit
Bill Lyons, Trust Valuation Specialist
James Millar, Counsel, Office of Chief Counsel
Jessica McBride, AOD, Eastern Region, Collections and Taxpayer Services

Committee Members In Attendance

Peter Johnson	Erin McQuiggan	Debra Falk
Joel Luber	Gregory Spadea	Carole Sheffield
Anthony Loscalzo	Andrew Haas	Maureen Farrell
William Hussey	Heike Sullivan	Betsy Cloues
Rebecca Smolen	Kathleen Huang	Don DiCarlo
Kathleen O'Connell	Gregory Alexander	Laurene Gunther
Sara Burns	Jon Sokoloff	Joy Dickstein
Jim Shaw	Daniel Ross	Megan McCrea
Alan Mittelman	Laura Stegossi	Nina Stryker
Terry Kline	Mike Saile	Don Copeland
Wendy Fein Cooper	Gene Gillin	Gordon Wase
Olivia Stoner	Alan Konesfky	Lisa Holland
Alex Lyden-Horn	Robert Maxwell	Martin Pezzner
Marguerite Weese		

Discussion:

- **Panel Announcements:**
  - The Department would like banks and trust companies to report the relationship between the persons on joint accounts. There is currently a PA House of Representatives Bill, HB 1586, which is sponsored by Representative Boyd that proposes just such a mandate. (PA HB 1586)
  - Electronic filing over paper filing is up to 96%
  - Record creations and receipts from the Philadelphia Register of Wills is now working smoothly. The Department urges practitioners that practice in other counties to ask their counties' register of wills to move to an electronic system as well.
  - Tax Amnesty program brought over $190 million into the PA department of revenue, $45 million of which was from the inheritance tax.

- PA extended its state tax filing deadlines because of floods and disasters. Please check the website (PA Dept of Revenue)or call the Disaster Recovery Tax Hotline at 1855-749-4853 (between the hours of 7:30 am -5 pm)

- **The Department will be changing some of the practice and procedures:**
  - Request for an Inheritance Tax Return Extension – Filers of notice of extension will only receive a response if the extension is denied. Filers will not receive a confirmation letter as they had in the past.
    - Note: The Department would rather have you file an extension and then a full return, then a partial return and a supplemental return because they don't want two returns floating around (there is no amended return)
  - Real Estate Valuation - 15 months after date of death will be the demarcation for valuation of real estate, at that time, the Department will use the county assessment figure / common level ratio calculation on date of death unless an official appraisal or sale occurs before that time
  - There is a proposed policy to add 61 Pa. C. S. § 94.3, entitled Taxation of trusts terminated under the provisions of Section 7740.1 of the Probate, Estates and Fiduciaries Code, 20 Pa.C.S. § 7740.1 (PA Tax Bulletin Proposed Policy Notice). The proposed policy would tax a sole use trust if it is terminated early without court approval.

- **Questions/Answers:**
  - Are 529 plans subject to Inheritance Tax if the Participant dies?
    - PA TAP are exempt from Inheritance Tax, but 529 plans are not exempt and will be subject to inheritance tax.

- **Who you can contact:**
  - Warren Klunk, Director, Bureau of Individual Taxes: (717) 787-8346
  - Mary-Jo Mullen, Chief, Inheritance Tax and Realty Transfer Tax: (717) 787-8327
  - Laurel Fulmer, Supervisor, Post Assessment and Document Processing Unit: (717) 787-8327
  - Bill Lyons, Trust Valuation Specialist: (717) 787-8327
  - James Millar, Counsel, Office of Chief Counsel: (717) 346-4649
  - Tom Gohsler, Deputy Chief, Office of Chief Counsel: (717) 787-7539
  - Laura Kulick, Senior Counsel, Office of Chief Counsel: (717) 346-4644
  - Dave Manni, Assistant Counsel, Office of Chief Counsel: (717) 787-2747
  - Greg Becker, Assistant Counsel, Office of Chief Counsel: (717) 346-4650
  - Jessica McBride, AOD, Eastern Region, Collections and Taxpayer Services: (425) 922-2626