

Pennsylvania residents: Beware the inheritance tax!

If you are a resident of Pennsylvania, you should be aware of how inheritances are taxed by the state¹. With this knowledge, you can proactively plan to maximize the amount of your estate your heirs will receive.

While there is no inheritance tax for inheriting assets as a spouse, there are inheritance taxes due if you are a lineal heir (child, grandchild), sibling (brother and sister) and other heirs (excluding exempt entities such as charities). The chart below summarizes the inheritance taxes for an estate of \$250,000. As opposed to the Federal inheritance tax, there is no exclusion amount so taxes start with the first dollar.

If you are a	Your inheritance tax rate is..	The tax on \$250,000 is....
Lineal heir (child or grandchild)	4.5%	\$11,250
Sibling (brother or sister)	12%	\$30,000
Other heir (besides exempt entities)	15%	\$37,500

There are potential options for avoiding all or part of the inheritance taxes your heirs will pay but they do require proactive planning today. To find out your options for maximizing the amount your heirs will receive, please feel free to call me at (610) 999-3599. There is no cost and no obligation.

¹<http://www.montcopa.org/index.aspx?NID=284>



Elliot Goldberg is an independent Registered Investment Advisor specializing in helping clients generate dependable lifetime income for their retirement. Please contact him for more information at (610) 999-3599 or eg@goldata.com.

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