Farm Families Rejoice - Elimination of Inheritance Tax

Working farmers and their heirs will no longer have to pay inheritance tax on farms. The end of June, the Governor signed legislation that eliminates the 4.5% inheritance tax for children and 12% tax for siblings of the deceased farmer when a working farm is passed to these heirs. In the past, these taxes often forced heirs to sell the deceased relative’s farm or significant portions of it due to the tax consequences of the transfer. Pennsylvania farms will now be more likely retained within families and next generation farmers will be able to inherit the family’s land without being strapped with onerous debt obligations caused by the tax code.

It has taken a number of years of legislative education to gain sufficient support for this tax code revision. At the time of passage in the legislature, the bill had broad cross party support. This shift in the law will have a significant and positive effect on the thousands of family and small farms throughout the Commonwealth.

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