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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 21, 1999

Honorable Robert A. Judge, Sr., Secretary
Department of Revenue
Strawberry Square, 11th Floor
Harrisburg, PA 17128

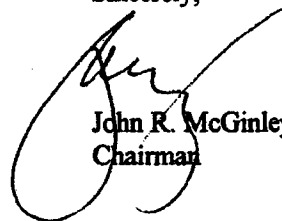
Re: IRRC Regulation #15-390 (IRRC #1887)
Department of Revenue
Inheritance Tax; Disclaimers of Nonprobate Taxable Assets

Dear Secretary Judge:

The Independent Regulatory Review Commission approved the subject regulation at its October 21, 1999 public meeting. Our Order is enclosed and is available on our website at <http://www.irrc.state.pa.us>.

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,



John R. McGinley, Jr.
Chairman

JRM:wbg
Enclosure
cc: Anita Doucette
Douglas Berguson

INDEPENDENT REGULATORY REVIEW COMMISSION

14th Floor, 333 Market Street
Harrisburg, PA 17101

Commissioners Present:

Public Meeting Held October 21, 1999

John R. McGinley, Jr., Chairman
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
John F. Mizner

Department of Revenue
Inheritance Tax; Disclaimers of Nonprobate Taxable Assets

Regulation No. 15-390

BY ORDER OF THE COMMISSION

On September 3, 1997, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Department of Revenue (Department). This rulemaking amends 61 Pa. Code Sections 93.141 and 94.1. The authority for this regulation is Section 2103 of the Tax Reform Code of 1971 (72 P.S. § 9103) and the Opinion and Order of Commonwealth Court in In Re Estate of Bernecker, 654 A.2d 246 (Pa. Commonwealth 1995). The proposed regulation was published in the September 13, 1997 *Pennsylvania Bulletin*, with a 30-day public comment period. The final-form regulation was submitted to the Commission on September 24, 1999.

This rulemaking, in response to the referenced Commonwealth Court decision, amends the Department's regulations concerning disclaimers of nonprobate taxable assets. Nonprobate taxable assets are those assets that pass outside an individual's will.

The regulation sets forth specific conditions, includes filing and notice requirements, which will be utilized in determining whether a disclaimer executed in regard to nonprobate taxable assets and nontrust assets is taxable under the Pennsylvania Inheritance Tax law.

We have reviewed this regulation and find it to be in the public interest. The regulation formalizes the Department's rules on this subject for taxpayers and tax practitioners.

THEREFORE, IT IS ORDERED THAT:

1. Regulation No. 15-390, from the Department of Revenue, as submitted to the Commission on September 24, 1999, is approved; and
2. The Commission will transmit a copy of this Order to the Legislative Reference Bureau



John R. McGinley, Jr., Chairman

