

Pennsylvania Inheritance Tax

Quick reference: rates, exemptions, deadlines, and the 5% discount

Pennsylvania imposes an inheritance tax on assets transferred at death. The rate depends on the relationship between the decedent and the beneficiary — not the size of the estate. This differs from the federal estate tax, which applies only to estates exceeding \$15 million per person (2026).

Beneficiary	Rate	Notes
Surviving spouse	0%	Exempt regardless of amount transferred
Children / lineal descendants	4.5%	Children, grandchildren, great-grandchildren, parents
Siblings	12%	Brothers and sisters only
All others	15%	Nieces, nephews, friends, unmarried partners

KEY EXEMPTIONS

- ☐ Life insurance paid to a named beneficiary (not the estate)
- ☐ Property passing to a surviving spouse
- ☐ Certain farmland and agricultural property
- ☐ Qualified family-owned business interests (limited)
- ☐ Charitable bequests to 501(c)(3) organizations

COMMON MISCONCEPTIONS

"A trust avoids inheritance tax."

False. Assets in a revocable trust are still subject to PA tax.

"Joint accounts avoid tax."

Partially true. The decedent's share of joint accounts is taxable.

"Small estates are exempt."

False. There is no minimum threshold for PA inheritance tax.

IMPORTANT DEADLINES

9 months

Inheritance Tax Return (REV-1500) due

Interest accrues on unpaid tax after this date.

3 months

Pay early — receive a 5% discount

Example: \$500,000 estate → children at 4.5%
= \$22,500 tax. 5% discount saves \$1,125.

PLANNING NOTE

PA inheritance tax applies regardless of estate size. Married couples can reduce exposure through coordinated planning — spousal transfers are always 0%. Transfers to children within one year of death are still taxed at 4.5%. Consult an attorney before making any transfers.

Questions about inheritance tax for a specific estate?

Call (724) 733-3500 or use our free PA Inheritance Tax Calculator at ament.law/tools/inheritance-tax-calculator/

Flat-fee estate administration. No surprises.