

Instructions for REV-1511 Schedule H

Funeral Expenses & Administrative Cost

REV-1511 EX (10-15)

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use REV-1511 Schedule H to report any expenses incurred by administering the estate.

FORM INSTRUCTIONS

Estate of

Enter the complete name of the estate as shown on REV-1500, Pennsylvania Inheritance Tax Return.

File Number


Enter the file number of the estate assigned by the Register of Wills as shown on REV-1500, Pennsylvania Inheritance Tax Return.

GENERAL INSTRUCTIONS

Description

A. Funeral Expenses

Itemize, giving names of persons to whom payable and the exact nature of the expense. Such expenses include but are not limited to: opening of graves, services of mortician, embalming and transportation, casket, flowers, fee for religious service, funeral refreshments, the cost of a burial lot or other resting place, and purchase and erection of a marker, gravestone or monument on decedent's final resting place. Bequests or devises in trust or funds placed in trust after decedent's death, or funds paid under a contract after decedent's death may be claimed to the extent that such funds or the income therefrom are applied to the care and preservation of the final resting place of the decedent's remains, or for religious services.

 **NOTE:** Funeral expenses paid by a prepaid funeral account are

deductible, provided that the prepaid account is reported as an asset of the decedent on REV-1508, Schedule E.

B. Administrative Costs


You may deduct, in reasonable amounts, fees for services rendered to the estate which will be paid. Administration expenses include but are not limited to: costs of letters testamentary or of administration, accounting fees, tax return preparation fees, estate notices, inventory, fees of appraisers, witnesses, short certificates, affidavits, fees for account and adjudication, public liability insurance premiums, stock transfers, stamps, registered mail charges, certified copies of will, fees for recording instruments, bank charges for supervision of entry into safe deposit boxes, broker's commissions, state and local realty transfer taxes, cost of maintaining property administered, and other services.

Personal Representative Commissions. Personal representative's fees constitute taxable income. Executor fees received by residents of Pennsylvania must be reported as compensation for personal income tax purposes in the year in which they are received. Corporate representatives must include a federal identification number.

Attorney Fees. Attorney fees must be reasonable given the number and nature of the assets to be administered, the value of those assets, the complexity of the issues involved, and the time necessary to settle the estate. The Department of Revenue does not recognize a set percentage fee or fee schedule. Any circumstances which necessitate fees above that which would normally be incurred should be described in an attachment to the tax return. Attorney fees incidental to litigation

instituted by the beneficiaries for their benefit do not constitute a proper deduction.

Family Exemption. The family exemption is a right given to specific individuals to retain or claim certain items or amounts of the decedent's property in accordance with Section 3121 of the Probate, Estate and Fiduciaries Code.

 **IMPORTANT:** The spouse of any decedent, or if there is no spouse, then such children who resided in the same household as the decedent at the decedent's death, or if there are no children, then the parent or parents of the decedent who resided in the same household as the decedent at the decedent's death, may retain or claim property to the value permitted by law as the "family exemption" under the Probate, Estates and Fiduciaries Code. The family exemption is \$3,500.

The family exemption is generally payable from the probate estate and, in certain instances, may be paid from the decedent's trust.

Expenses incurred in administering real property held in the decedent's name alone are allowed in reasonable amounts. However, when the decedent held title jointly with another or others, with rights of survivorship, expenses incurred after the decedent's death are not allowed. If the decedent held title as a tenant-in-common, expenses incurred in administering the decedent's interest are only allowed to the same extent as the decedent's fractional interest in the real property.

Total

Total all items in the amount column and enter here. Enter this value on Line 9, Page 2 of REV-1500.