

Instructions for REV-1512 Schedule I

Debts of Decedent, Mortgage Liabilities & Liens

REV-1512 EX (02-15)

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use REV-1512 Schedule I to report all valid debts of the decedent owed at the time of death.

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

Unless otherwise noted, debts of the decedent including mortgages and liens on real estate are deductible regardless of whether or not assets comprising the taxable estate are employed in the payment or discharge of the deductible items. However, uncollectible liens are not allowable as a debt of the decedent. These would include invalid liens such

as those filed while the decedent is under bankruptcy.



IMPORTANT: When a tax is imposed upon a transfer of jointly owned property by right of survivorship (see REV-1509, Schedule F) or a taxable inter-vivos transfer (see REV-1510, Schedule G), the deductions will be allowed to the transferee only to the extent that the transferee has actually paid the deductible items and either the transferee was obligated to pay the deductible items or the estate subject to administration by a personal representative is insufficient to pay the deductible items. The transferee must show that the same debts are not also claimed by an executor, administrator, or other personal representative handling the administration of the decedent's estate.

Examples of obligations which should be itemized on REV-1512, Schedule I include property taxes due and owing prior to decedent's death, secured loans, liabilities and claims based on a promise or agreement, provided that the liability was contracted bona fide and for an adequate and full consideration.

Expenses incurred in treating the decedent's last illness, which are

unpaid at the time of death, are not deductible if they will be paid, or the estate will be reimbursed for their payment, from other sources such as medical insurance. Include only expenses, which will not be paid or reimbursed by medical insurance.

Debts incurred by the decedent prior to death with respect to real property held in the decedent's name alone, such as mortgages, repairs, and utilities, are allowed. However, when the decedent held title jointly with another or others, with rights of survivorship, or as a tenant-in-common, debts incurred prior to the decedent's death are only allowed to the same extent as the decedent's fractional interest in the real property. Proof of mortgage liabilities must always be provided. If the decedent transferred title to real property within one year prior to the date of death, deductions will be limited to those for which the decedent was actually liable at the date of death.

Total

Total all items in the Value at Date of Death column and enter value here. Enter this value on Line 10, Page 2 of REV-1500.