



**August 25, 2006**  
**Pennsylvania Realty Transfer Tax**  
**No. RTT-06-010**  
**Transfer of Real Estate Between Siblings**

ISSUE

Is the sale of real estate for consideration from one brother to another brother, where the selling brother dies after the agreement of sale is executed and the estate completes the sale, subject to Pennsylvania Realty Transfer Tax?

CONCLUSION

The sale of real estate between family members is excluded from the tax. 72 P.S. § 8102-C.3(6).

FACTS

The facts as contained in your letter are that Taxpayer and his brother ("A") own real estate located in Pennsylvania. In 2006, Taxpayer and A, entered into an Agreement of Sale, whereby A was to transfer his one-half interest in the real estate for consideration. A died in 2006, before the transaction could be consummated. A's will did not provide for specific disposition of the one-half interest in the real estate. However, the will does set forth in section Second "I give, devise and bequeath all my estate, real, personal and mixed, whatsoever and wheresoever situate, to my wife." [1] In 2006, the estate completed the transaction.

DISCUSSION

Realty transfer tax is imposed upon any document that evidences the transfer of title to real estate located within the Commonwealth. 72 P.S. § 8102-C. Certain transactions are excluded from the tax. A transfer between siblings is excluded. 72 P.S. § 8102-C.3(6). Here, the transfer was begun during A's lifetime and was concluded by his estate. The agreement of sale was binding on him and his successors. Because the Agreement of Sale was executed during the lifetime of A, it is a transaction with A as an individual and not with a separate entity estate. Therefore, since this was a transaction between brothers it is excluded from the tax.

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[1] Because your letter was silent on the status of A's wife, it is assumed for purposes of this letter ruling that she is still among the living.