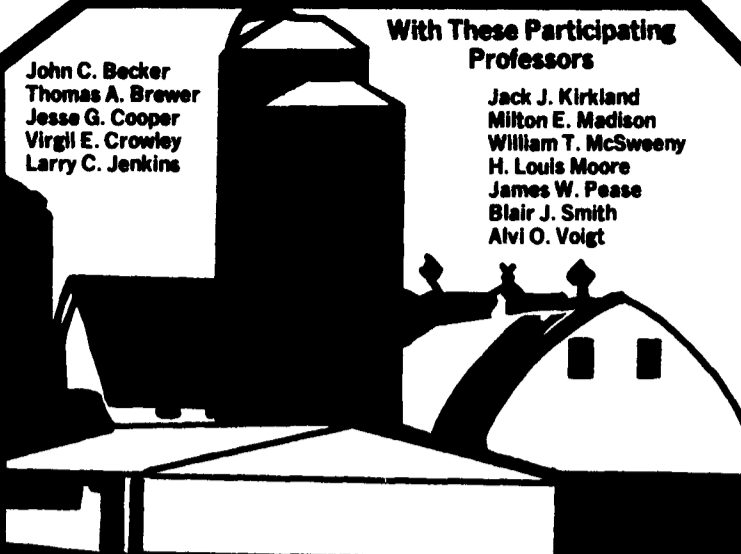


**John C. Becker**  
Thomas A. Brewer  
Jesse G. Cooper  
Virgil E. Crowley  
Larry C. Jenkins

**With These Participating Professors**

Jack J. Kirkland  
Milton E. Madison  
William T. McSweeney  
H. Louis Moore  
James W. Pease  
Blair J. Smith  
Alvi O. Voigt



**Penn State  
FARM AND DAIRY  
Business Seminar of the Week**

**BY JOHN C. BECKER**  
Asst. Professor of Agricultural Economics (Law)

During a recent series of Extension estate planning meetings held throughout Pennsylvania I tried to focus some of my discussion on helping people to understand what would happen to their property if they never got the chance to complete the estate plan they said they'd complete, "when I got around to it." This is a very important question since it highlights the application of laws dealing with jointly held property and intestate distribution in Pennsylvania. In many situations this discussion makes people realize that certain decisions, or the failure to make decisions, will affect the transfer of their property. In this article I would like to examine these areas to help you understand them and determine whether the result they create is acceptable to you.

**Joint Ownership of Property**

In regard to the concept of jointly held property, two farms are involved, joint tenancy with the right of survivorship and tenancy in common. In a joint

tenancy with the right of survivorship, two or more people decide to share ownership of some item. The interest of each owner is equal to the interest of each other owner and their interests arise at the same point in time. There can be two or more joint owners, but each owner's interest is equal in



John C. Becker

**Garden Spot Wins FFA Land Judging Contest**



Dr. William Fredd (center) explains land judging scores with the FFA students participating in the Lancaster County FFA Land Judging Contest Wednesday at Roger and Donnie Wenger's Farm at Sporting Hill.

In the team placings, Garden Spot was first followed by Penn Manor and Ephrata. In the individual placings, Dean Wenger from Garden Spot was first followed by Sharon Zimmerman, Ephrata, and Duane Hess, Penn Manor. Manheim FFA Chapter was this year's sponsor of the event.

amount to each of the other owners. No single owner has a greater ownership share than the other owners.

The unique feature of this type of ownership form is the fact that at the death of one of the joint owners, each of the surviving joint owners will receive an equal share of the portion owned by the deceased owner. For example, if a joint owner died owning a one-third share of a particular piece of property, the two remaining joint owners who survive will divide the one-third share equally among themselves and increase their shares from one-third to one-half. This transfer of ownership occurs automatically because of the legal effect given to the form of ownership that the owners chose when the property was acquired. Even if deceased joint owner had prepared a will that gave all of the owner's property to some other

person, the surviving joint owners will acquire ownership of the property as a will does not control the transfer of ownership of jointly owned property when one of the joint owners dies. Therefore, it is important to keep in mind that a will is effective only in regard to property that is owned separately by the person who prepared the will.

If the joint owners are legally married to each other, the owners have a special form of joint ownership, known as tenancy by the entirety. In this form, the same type of automatic ownership transfer occurs at the death of one spouse and survival by the other spouse. When a transfer occurs at the death of one spouse, there is a difference from the situation that prevails at the death of a joint tenant with the right of survivorship and this difference involves the application of Pennsylvania inheritance tax. The transfer from a deceased spouse to a surviving spouse under a tenancy by the entirety is not subject to Pennsylvania inheritance tax. A transfer of property from a

deceased joint tenant to surviving joint tenants is subject to inheritance tax on the fractional share passing to the surviving joint owners. Since the rate of Pennsylvania inheritance tax depends on the family relationship between the person who receives the property and the person who died, this tax could be as much as 15 percent of the value of the fractional share that passes.

A second form of joint ownership is known as a tenancy in common. In this type of situation, the shares of each joint owner need not be equal to the share of all other joint owners, although they often are equal. There can be any number of owners in such a relationship and new joint owners can come and go during the time the property is owned. This is a substantial difference from the joint tenancy with right of survivorship that requires the interest of all joint tenants to be created at the same time.

*Continued  
Next Week*

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