

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 929 Session of
2005

INTRODUCED BY YUDICHAK, R. MILLER, TURZAI, REICHLEY, DENLINGER,
CALTAGIRONE, FRANKEL, GRUCELA, HERMAN, LEVDANSKY, MUNDY,
PRESTON, SAINATO, THOMAS, WALKO, YOUNGBLOOD AND GEORGE,
MARCH 14, 2005

REFERRED TO COMMITTEE ON FINANCE, MARCH 14, 2005

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for the definition of
11 "manufacture."

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 201(c) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May
16 7, 1997 (P.L.85, No.7), is amended to read:

17 Section 201. Definitions.--The following words, terms and
18 phrases when used in this Article II shall have the meaning
19 ascribed to them in this section, except where the context
20 clearly indicates a different meaning:

21 * * *

1 (c) "Manufacture." The performance of manufacturing,
2 fabricating, compounding, processing or other operations,
3 engaged in as a business, which place any tangible personal
4 property in a form, composition or character different from that
5 in which it is acquired whether for sale or use by the
6 manufacturer, and shall include, but not be limited to--

7 (1) Every operation commencing with the first production
8 stage and ending with the completion of tangible personal
9 property having the physical qualities (including packaging, if
10 any, passing to the ultimate consumer) which it has when
11 transferred by the manufacturer to another[;]. For purposes of
12 this clause "operation" shall include clean rooms and their
13 component systems, including; environmental control systems,
14 antistatic vertical walls and manufacturing platforms, and
15 floors, which are independent of the real estate; process piping
16 systems; specialized lighting systems; deionized water systems;
17 process vacuum and compressed air systems; process and specialty
18 gases; and alarm or warning devices specifically designed to
19 warn of threats to the integrity of the product and/or people.
20 For purposes of this clause a "clean room" is a location with a
21 self-contained, sealed environment with a controlled closed air
22 system independent from the facility's general environmental
23 control system.

24 (2) The publishing of books, newspapers, magazines and other
25 periodicals and printing[;].

26 (3) Refining, blasting, exploring, mining and quarrying for,
27 or otherwise extracting from the earth or from waste or stock
28 piles or from pits or banks any natural resources, minerals and
29 mineral aggregates including blast furnace slag[;].

30 (4) Building, rebuilding, repairing and making additions to,

1 or replacements in or upon vessels designed for commercial use
2 of registered tonnage of fifty tons or more when produced upon
3 special order of the purchaser, or when rebuilt, repaired or
4 enlarged, or when replacements are made upon order of, or for
5 the account of the owner[;].

6 (5) Research having as its objective the production of a new
7 or an improved (i) product or utility service, or (ii) method of
8 producing a product or utility service, but in either case not
9 including market research or research having as its objective
10 the improvement of administrative efficiency.

11 (6) Remanufacture for wholesale distribution by a
12 remanufacturer of motor vehicle parts from used parts acquired
13 in bulk by the remanufacturer using an assembly line process
14 which involves the complete disassembly of such parts and
15 integration of the components of such parts with other used or
16 new components of parts, including the salvaging, recycling or
17 reclaiming of used parts by the remanufacturer.

18 (7) Remanufacture or retrofit by a manufacturer or
19 remanufacturer of aircraft, armored vehicles, other defense-
20 related vehicles having a finished value of at least fifty
21 thousand dollars (\$50,000). Remanufacture or retrofit involves
22 the disassembly of such aircraft, vehicles, parts or components,
23 including electric or electronic components, the integration of
24 those parts and components with other used or new parts or
25 components, including the salvaging, recycling or reclaiming of
26 the used parts or components and the assembly of the new or used
27 aircraft, vehicles, parts or components. For purposes of this
28 clause, the following terms or phrases have the following
29 meanings:

30 (i) "aircraft" means fixed-wing aircraft, helicopters,

1 powered aircraft, tilt-rotor or tilt-wing aircraft, unmanned
2 aircraft and gliders;

3 (ii) "armored vehicles" means tanks, armed personnel
4 carriers and all other armed track or semitrack vehicles; or

5 (iii) "other defense-related vehicles" means trucks, truck-
6 tractors, trailers, jeeps and other utility vehicles, including
7 any unmanned vehicles.

8 The term "manufacture" shall not include constructing,
9 altering, servicing, repairing or improving real estate or
10 repairing, servicing or installing tangible personal property,
11 nor the cooking, freezing or baking of fruits, vegetables,
12 mushrooms, fish, seafood, meats, poultry or bakery products.

13 * * *

14 Section 2. This act shall take effect in 60 days.