

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 524

Session of
1981

INTRODUCED BY McVERRY, LEVIN AND TADDONIO, FEBRUARY 10, 1981

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, APRIL 21, 1981

AN ACT

1 ~~Amending the act of December 27, 1951 (P.L.1742, No.467),~~ <—
2 ~~entitled, as amended, "An act to provide revenue by imposing~~
3 ~~a State tax relating to certain documents and transactions;~~
4 ~~prescribing and regulating the method and manner of~~
5 ~~evidencing the payment of such tax; conferring powers and~~
6 ~~imposing duties upon certain persons, partnerships,~~
7 ~~associations, and corporations, sheriffs, recorders of deeds,~~
8 ~~and the Department of Revenue; saving certain State and local~~
9 ~~taxes and authorizing amendments, extensions and supplements~~
10 ~~to the ordinances and resolutions relating thereto; and~~
11 ~~providing penalties," further defining "document" so as to~~
12 ~~exclude certain transfers between former husbands and wives.~~

13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
22 PENALTIES," FURTHER PROVIDING FOR THE IMPOSITION OF CERTAIN
23 TAXES, REVISING THE DEFINITION OF "TAXABLE INCOME" AND ADDING
24 THE TAX ON REAL ESTATE TRANSFERS TO THE CODE.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 ~~Section 1. The definition of "document" in section 2, act of~~ <—
28 ~~December 27, 1951 (P.L.1742, No.467), known as "The Realty~~

~~Transfer Tax Act," reenacted and amended February 9, 1961~~
~~(P.L.13, No.9) and amended October 16, 1980 (No.176), is amended~~
~~to read:~~

~~Section 2. The following words when used in this act shall~~
~~have meanings ascribed to them in this section, except in those~~
~~instances where the context clearly indicates a different~~
~~meaning.~~

~~* * *~~

~~"Document." Any deed, instrument or writing whereby any~~
~~lands, tenements or hereditaments within this Commonwealth or~~
~~any interest therein shall be quitclaimed, granted, bargained,~~
~~sold, or otherwise conveyed to the grantee, purchaser, or any~~
~~other person, but does not include wills, mortgages, transfers~~
~~between corporations operating housing projects pursuant to the~~
~~Housing and Redevelopment Assistance Law and the shareholders~~
~~thereof, transfers between nonprofit industrial development~~
~~agencies and industrial corporations purchasing from them, any~~
~~transfers to nonprofit industrial development agencies, and~~
~~transfers between husband and wife, transfers between persons~~
~~who were previously husband and wife but who have since been~~
~~divorced provided such transfer is made within three months of~~
~~the date of the granting of the final decree in divorce, or the~~
~~decree of equitable distribution of marital property, whichever~~
~~is later, and the property or interest therein subject to such~~
~~transfer was acquired by the husband and wife or husband or wife~~
~~prior to the granting of the final decree in divorce, transfers~~
~~between parent and child or the spouse of such a child or~~
~~between parent and trustee for the benefit of a child or the~~
~~spouse of such child, transfers between a grandparent and~~
~~grandchild or the spouse of such grandchild, by and between a~~

~~1 principal and straw party for the purpose of placing a mortgage
2 or ground rent upon the premises, correctional deeds without
3 consideration, transfers to the United States, the Commonwealth
4 of Pennsylvania, or to any of their instrumentalities, agencies
5 or political subdivisions, by gift, dedication or deed in lieu
6 of condemnation, or deed of confirmation in connection with
7 condemnation proceedings, or reconveyance by the condemning body
8 of the property condemned to the owner of record at the time of
9 condemnation which reconveyance may include property line
10 adjustments provided said reconveyance is made within one year
11 from the date of condemnation, leases, a conveyance to a trustee
12 under a recorded trust agreement for the express purpose of
13 holding title in trust as security for a debt contracted at the
14 time of the conveyance under which the trustee is not the lender
15 and requiring the trustee to make reconveyance to the grantor
16 borrower upon the repayment of the debt, or a transfer by the
17 owner of previously occupied residential premises to a builder
18 of new residential premises when such previously occupied
19 residential premises is taken in trade by such builder as part
20 of the consideration from the purchaser of a new previously
21 unoccupied residential premises or any transfer from a purchase
22 money mortgagor to the vendor holding the purchase money
23 mortgage whether pursuant to a foreclosure or in lieu thereof,
24 or conveyances to municipalities, townships, school districts
25 and counties pursuant to acquisition by municipalities,
26 townships, school districts and counties of tax delinquent
27 properties at sheriff sale or tax claim bureau, or any transfer
28 between religious organizations or other bodies or persons
29 holding title to real estate for a religious organization if
30 such real estate is not being or has not been used by such~~

1 ~~transferor for commercial purposes, or in any sheriff sale~~
2 ~~instituted by a mortgagee in which the purchaser of said sheriff~~
3 ~~sale is the mortgagee who instituted said sale.~~

4 * * *

5 ~~Section 2. This act shall take effect in 30 days.~~

6 SECTION 1. SECTION 302, ACT OF MARCH 4, 1971 (P.L.6, NO.2), <—
7 KNOWN AS THE "TAX REFORM CODE OF 1971," AMENDED JULY 4, 1979
8 (P.L.60, NO.27), IS AMENDED TO READ:

9 SECTION 302. IMPOSITION OF TAX.--(A) THERE IS HEREBY
10 IMPOSED AN ANNUAL TAX TO BE PAID BY RESIDENT INDIVIDUALS,
11 ESTATES OR TRUSTS AT THE RATE OF TWO AND TWO-TENTHS PER CENT
12 UNTIL DECEMBER 31, [1981] 1983 AND AT A RATE OF TWO PER CENT
13 THEREAFTER ON THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF
14 INCOME HEREINAFTER ENUMERATED IN SECTION 303.

15 (B) THERE IS HEREBY IMPOSED AN ANNUAL TAX TO BE PAID BY
16 NONRESIDENT INDIVIDUALS, ESTATES OR TRUSTS AT THE RATE OF TWO
17 AND TWO-TENTHS PER CENT UNTIL DECEMBER 31, [1981] 1983 AND AT A
18 RATE OF TWO PER CENT THEREAFTER ON THE PRIVILEGE OF RECEIVING
19 EACH OF THE CLASSES OF INCOME ENUMERATED IN SECTION 303 FROM
20 SOURCES WITHIN THIS COMMONWEALTH.

21 SECTION 2. SUBCLAUSE 1. OF CLAUSE (3) OF SECTION 401 OF THE
22 ACT, AMENDED DECEMBER 8, 1980 (P.L.1117, NO.195), IS AMENDED TO
23 READ:

24 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
25 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
26 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
27 CLEARLY INDICATES A DIFFERENT MEANING:

28 * * *

29 (3) "TAXABLE INCOME." 1. IN CASE THE ENTIRE BUSINESS OF THE
30 CORPORATION IS TRANSACTED WITHIN THIS COMMONWEALTH, FOR ANY

1 TAXABLE YEAR WHICH BEGINS ON OR AFTER JANUARY 1, 1971, TAXABLE
2 INCOME FOR THE CALENDAR YEAR OR FISCAL YEAR AS RETURNED TO AND
3 ASCERTAINED BY THE FEDERAL GOVERNMENT, OR IN THE CASE OF A
4 CORPORATION PARTICIPATING IN THE FILING OF CONSOLIDATED RETURNS
5 TO THE FEDERAL GOVERNMENT, THE TAXABLE INCOME WHICH WOULD HAVE
6 BEEN RETURNED TO AND ASCERTAINED BY THE FEDERAL GOVERNMENT IF
7 SEPARATE RETURNS HAD BEEN MADE TO THE FEDERAL GOVERNMENT FOR THE
8 CURRENT AND PRIOR TAXABLE YEARS, SUBJECT, HOWEVER, TO ANY
9 CORRECTION THEREOF, FOR FRAUD, EVASION, OR ERROR AS FINALLY
10 ASCERTAINED BY THE FEDERAL GOVERNMENT: PROVIDED, THAT ADDITIONAL
11 DEDUCTIONS SHALL BE ALLOWED FROM TAXABLE INCOME ON ACCOUNT OF
12 ANY DIVIDENDS RECEIVED FROM ANY OTHER CORPORATION BUT ONLY TO
13 THE EXTENT THAT SUCH DIVIDENDS ARE INCLUDED IN TAXABLE INCOME AS
14 RETURNED TO AND ASCERTAINED BY THE FEDERAL GOVERNMENT: PROVIDED
15 FURTHER, THAT ADDITIONAL DEDUCTIONS SHALL BE ALLOWED FROM
16 TAXABLE INCOME IN AN AMOUNT EQUAL TO THE AMOUNT OF ANY REDUCTION
17 IN AN EMPLOYER'S DEDUCTION FOR WAGES AND SALARIES AS REQUIRED BY
18 SECTION 280C OF THE INTERNAL REVENUE CODE AS A RESULT OF THE
19 EMPLOYER TAKING A CREDIT FOR "NEW JOBS" PURSUANT TO SECTION 44B
20 OF THE INTERNAL REVENUE CODE: PROVIDED FURTHER, THAT TAXABLE
21 INCOME WILL INCLUDE THE SUM OF THE FOLLOWING TAX PREFERENCE
22 ITEMS AS DEFINED IN SECTION 57 OF THE INTERNAL REVENUE CODE, AS
23 AMENDED, (I) EXCESS INVESTMENT INTEREST; (II) ACCELERATED
24 DEPRECIATION ON REAL PROPERTY; (III) ACCELERATED DEPRECIATION ON
25 PERSONAL PROPERTY SUBJECT TO A NET LEASE; (IV) AMORTIZATION OF
26 CERTIFIED POLLUTION CONTROL FACILITIES; (V) AMORTIZATION OF
27 RAILROAD ROLLING STOCK; (VI) STOCK OPTIONS; (VII) RESERVES FOR
28 LOSSES ON BAD DEBTS OF FINANCIAL INSTITUTIONS; (VIII) AND
29 CAPITAL GAINS BUT ONLY TO THE EXTENT THAT SUCH PREFERENCE ITEMS
30 ARE NOT INCLUDED IN "TAXABLE INCOME" AS RETURNED TO AND

1 ASCERTAINED BY THE FEDERAL GOVERNMENT. NO DEDUCTION SHALL BE
2 ALLOWED FOR NET OPERATING LOSSES SUSTAINED BY THE CORPORATION
3 DURING ANY OTHER FISCAL OR CALENDAR YEAR: PROVIDED, THAT FOR THE
4 CALENDAR YEAR 1981 AND FISCAL YEARS BEGINNING IN 1981 AND
5 THEREAFTER, A NET OPERATING LOSS, AS PROVIDED BY SECTION 172 OF
6 THE INTERNAL REVENUE CODE, SHALL BE ALLOWED AS A DEDUCTION AND A
7 CARRYOVER PURSUANT TO THE FOLLOWING SCHEDULE:

8	NET OPERATING LOSS FOR YEAR	CARRYOVER
9	1981	1 YEAR
10	1982	2 YEARS
11	1983 AND THEREAFTER	3 YEARS

12 THE NET OPERATING LOSS SHALL BE CARRIED TO THE EARLIEST OF THE
13 TAXABLE YEARS TO WHICH, UNDER THIS SCHEDULE, SUCH LOSS MAY FIRST
14 BE CARRIED. IN THE CASE OF REGULATED INVESTMENT COMPANIES AS
15 DEFINED BY THE INTERNAL REVENUE CODE OF 1954, AS AMENDED,
16 "TAXABLE INCOME" SHALL BE INVESTMENT COMPANY TAXABLE INCOME AS
17 DEFINED IN THE AFORESAID INTERNAL REVENUE CODE OF 1954, AS
18 AMENDED. IN ARRIVING AT "TAXABLE INCOME" FOR FEDERAL TAX
19 PURPOSES FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER [JANUARY 1,
20 1971, ANY CORPORATE NET INCOME TAX DUE TO THE COMMONWEALTH
21 PURSUANT TO THE PROVISIONS OF THIS ARTICLE SHALL NOT BE ALLOWED
22 AS A DEDUCTION AND THE AMOUNT OF CORPORATE TAX SO DUE AND
23 EXCLUDED FROM FEDERAL TAXABLE INCOME UNDER THE INTERNAL REVENUE
24 CODE SHALL NOT BE APPORTIONED BUT SHALL BE SUBJECT TO TAX AT THE
25 RATE IMPOSED UNDER THIS ARTICLE.] JANUARY 1, 1981, NO DEDUCTION
26 SHALL BE ALLOWED FOR TAXES IMPOSED ON OR MEASURED BY NET INCOME.

27 * * *

28 SECTION 3. SECTIONS 402 AND 502 OF THE ACT, REENACTED AND
29 AMENDED JULY 4, 1979 (P.L.60, NO.27), ARE AMENDED TO READ:

30 SECTION 402. IMPOSITION OF TAX.--EVERY CORPORATION SHALL BE

1 SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF DOING BUSINESS IN
2 THIS COMMONWEALTH, OR HAVING CAPITAL OR PROPERTY EMPLOYED OR
3 USED IN THIS COMMONWEALTH, BY OR IN THE NAME OF ITSELF, OR ANY
4 PERSON, PARTNERSHIP, ASSOCIATION, LIMITED PARTNERSHIP, JOINT-
5 STOCK ASSOCIATION, OR CORPORATION, A STATE EXCISE TAX AT THE
6 RATE OF TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE
7 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH
8 CORPORATION DURING THE CALENDAR YEAR 1971 AND THE FIRST SIX
9 MONTHS OF 1972 AND AT THE RATE OF ELEVEN PER CENT PER ANNUM UPON
10 EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY,
11 AND ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS
12 OF CALENDAR YEAR 1972 THROUGH THE CALENDAR YEAR 1973 AND AT THE
13 RATE OF NINE AND ONE-HALF PER CENT PER ANNUM UPON EACH DOLLAR OF
14 TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO,
15 SUCH CORPORATION DURING THE CALENDAR YEARS 1974, 1975 AND 1976
16 AND AT THE RATE OF TEN AND ONE-HALF PER CENT PER ANNUM UPON EACH
17 DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND
18 ACCRUING TO, SUCH CORPORATION DURING THE CALENDAR YEAR 1977 AND
19 EACH CALENDAR YEAR THEREAFTER TO THE BEGINNING OF CALENDAR YEAR
20 [1982] 1984 AND AT A RATE OF NINE AND ONE-HALF PER CENT FOR EACH
21 CALENDAR YEAR THEREAFTER, EXCEPT WHERE A CORPORATION REPORTS TO
22 THE FEDERAL GOVERNMENT ON THE BASIS OF A FISCAL YEAR, AND HAS
23 CERTIFIED SUCH FACT TO THE DEPARTMENT AS REQUIRED BY SECTION 403
24 OF THIS ARTICLE, IN WHICH CASE, SUCH TAX, AT THE RATE OF TWELVE
25 PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE
26 INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE
27 FIRST SIX MONTHS OF THE FISCAL YEAR COMMENCING IN THE CALENDAR
28 YEAR 1972 AND AT THE RATE OF ELEVEN PER CENT, SHALL BE LEVIED,
29 COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND
30 ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS OF

1 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND DURING
2 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1973 AND AT THE
3 RATE OF NINE AND ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED,
4 AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO,
5 SUCH CORPORATION DURING THE FISCAL YEAR COMMENCING IN THE
6 CALENDAR YEARS 1974, 1975 AND 1976 AND AT THE RATE OF TEN AND
7 ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL
8 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION
9 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1977 AND
10 DURING EACH FISCAL YEAR THEREAFTER TO THE FISCAL YEAR COMMENCING
11 IN THE CALENDAR YEAR [1982] 1984 AND AT A RATE OF NINE AND ONE-
12 HALF PER CENT FOR EACH FISCAL YEAR COMMENCING IN THE CALENDAR
13 YEAR [1982] 1984 AND EACH FISCAL YEAR THEREAFTER. NO PENALTY
14 PRESCRIBED BY SUBSECTION (E) OF SECTION 1202.1 SHALL BE ASSESSED
15 AGAINST A CORPORATION FOR THE ADDITIONAL TAX WHICH MAY BE DUE AS
16 A RESULT OF THE INCREASE IN TAX RATE FROM NINE AND ONE-HALF PER
17 CENT TO TEN AND ONE-HALF PER CENT IMPOSED RETROACTIVELY BY THIS
18 SECTION FOR THE CALENDAR YEAR 1977 OR FOR THE FISCAL YEAR
19 COMMENCING IN 1977.

20 SECTION 502. IMPOSITION OF TAX.--EVERY CORPORATION CARRYING
21 ON ACTIVITIES IN THIS COMMONWEALTH OR OWNING PROPERTY IN THIS
22 COMMONWEALTH BY OR IN THE NAME OF ITSELF OR ANY PERSON,
23 PARTNERSHIP, JOINT-STOCK ASSOCIATION OR CORPORATION SHALL BE
24 SUBJECT TO AND SHALL PAY A STATE PROPERTY TAX ON TAXABLE INCOME
25 DERIVED FROM SOURCES WITHIN THIS COMMONWEALTH AT THE RATE OF
26 TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF SUCH TAXABLE
27 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE
28 CALENDAR YEAR 1971 AND THE FIRST SIX MONTHS OF 1972 AND AT THE
29 RATE OF ELEVEN PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE
30 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH

1 CORPORATION DURING THE SECOND SIX MONTHS OF CALENDAR YEAR 1972
2 THROUGH THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND ONE-
3 HALF PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF
4 SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION
5 DURING THE CALENDAR YEARS 1974, 1975 AND 1976 AND AT THE RATE OF
6 TEN AND ONE-HALF PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE
7 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH
8 CORPORATION DURING THE CALENDAR YEAR 1977 AND EACH CALENDAR YEAR
9 THEREAFTER TO THE BEGINNING OF CALENDAR YEAR [1982] 1984 AND AT
10 A RATE OF NINE AND ONE-HALF PER CENT FOR EACH CALENDAR YEAR
11 THEREAFTER, EXCEPT WHERE A CORPORATION REPORTS TO THE FEDERAL
12 GOVERNMENT ON THE BASIS OF A FISCAL YEAR AND HAS CERTIFIED SUCH
13 FACT TO THE DEPARTMENT AS REQUIRED BY SECTION 403 OF ARTICLE IV,
14 IN WHICH CASE SUCH TAX AT THE RATE OF TWELVE PER CENT SHALL BE
15 LEVIED, COLLECTED AND PAID UPON EACH DOLLAR OF SUCH TAXABLE
16 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE
17 FIRST SIX MONTHS OF THE FISCAL YEAR COMMENCING IN THE CALENDAR
18 YEAR 1972 AND AT THE RATE OF ELEVEN PER CENT SHALL BE LEVIED,
19 COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND
20 ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS OF
21 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND DURING
22 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1973 AND AT THE
23 RATE OF NINE AND ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED,
24 AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO,
25 SUCH CORPORATION DURING THE FISCAL YEAR COMMENCING IN THE
26 CALENDAR YEARS 1974, 1975 AND 1976 AND AT THE RATE OF TEN AND
27 ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL
28 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION
29 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1977 AND
30 EACH FISCAL YEAR THEREAFTER TO THE FISCAL YEAR COMMENCING IN THE

1 CALENDAR YEAR [1982] 1984 AND AT A RATE OF NINE AND ONE-HALF PER
2 CENT FOR EACH FISCAL YEAR COMMENCING IN THE CALENDAR YEAR [1982]
3 1984 AND EACH FISCAL YEAR THEREAFTER: PROVIDED, HOWEVER, THAT
4 SUCH TAXABLE INCOME SHALL NOT INCLUDE INCOME FOR ANY PERIOD FOR
5 WHICH THE CORPORATION IS SUBJECT TO TAXATION UNDER ARTICLE IV:
6 AND, PROVIDED FURTHER, THAT NO PENALTY PRESCRIBED BY SUBSECTION
7 (E) OF SECTION 1202.1 SHALL BE ASSESSED AGAINST A CORPORATION
8 FOR THE ADDITIONAL TAX WHICH MAY BE DUE AS A RESULT OF THE
9 INCREASE IN TAX RATE FROM NINE AND ONE-HALF PER CENT TO TEN AND
10 ONE-HALF PER CENT IMPOSED RETROACTIVELY BY THIS SECTION FOR THE
11 CALENDAR YEAR 1977 OR FOR THE FISCAL YEAR COMMENCING IN 1977.

12 SECTION 4. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

13 ARTICLE XI-C

14 REALTY TRANSFER TAX

15 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED
16 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS
17 SECTION, EXCEPT IN THOSE INSTANCES WHERE THE CONTEXT CLEARLY
18 INDICATES A DIFFERENT MEANING:

19 "ASSOCIATION." A PARTNERSHIP, LIMITED PARTNERSHIP, OR ANY
20 OTHER FORM OF UNINCORPORATED ENTERPRISE, OWNED OR CONDUCTED BY
21 TWO OR MORE PERSONS.

22 "CORPORATION." A CORPORATION OR JOINT-STOCK ASSOCIATION
23 ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH, THE UNITED
24 STATES, OR ANY OTHER STATE, TERRITORY, OR FOREIGN COUNTRY, OR
25 DEPENDENCY, INCLUDING, BUT NOT LIMITED TO, BANKING INSTITUTIONS.

26 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THIS
27 COMMONWEALTH.

28 "DOCUMENT." ANY DEED, INSTRUMENT OR WRITING WHEREBY ANY
29 LANDS, TENEMENTS OR HEREDITAMENTS WITHIN THIS COMMONWEALTH OR
30 ANY INTEREST THEREIN SHALL BE QUITCLAIMED, GRANTED, BARGAINED,

1 SOLD, OR OTHERWISE CONVEYED TO THE GRANTEE, PURCHASER, OR ANY
2 OTHER PERSON, BUT DOES NOT INCLUDE WILLS, MORTGAGES, TRANSFERS
3 BETWEEN CORPORATIONS OPERATING HOUSING PROJECTS PURSUANT TO THE
4 HOUSING AND REDEVELOPMENT ASSISTANCE LAW AND THE SHAREHOLDERS
5 THEREOF, TRANSFERS BETWEEN NONPROFIT INDUSTRIAL DEVELOPMENT
6 AGENCIES AND INDUSTRIAL CORPORATIONS PURCHASING FROM THEM, ANY
7 TRANSFERS TO NONPROFIT INDUSTRIAL DEVELOPMENT AGENCIES, AND
8 TRANSFERS BETWEEN HUSBAND AND WIFE, TRANSFERS BETWEEN PERSONS
9 WHO WERE PREVIOUSLY HUSBAND AND WIFE BUT WHO HAVE SINCE BEEN
10 DIVORCED PROVIDED SUCH TRANSFER IS MADE WITHIN THREE MONTHS OF
11 THE DATE OF THE GRANTING OF THE FINAL DECREE IN DIVORCE, OR THE
12 DECREE OF EQUITABLE DISTRIBUTION OF MARITAL PROPERTY, WHICHEVER
13 IS LATER, AND THE PROPERTY OR INTEREST THEREIN SUBJECT TO SUCH
14 TRANSFER WAS ACQUIRED BY THE HUSBAND AND WIFE OR HUSBAND OR WIFE
15 PRIOR TO THE GRANTING OF THE FINAL DECREE IN DIVORCE, TRANSFERS
16 BETWEEN PARENT AND CHILD OR THE SPOUSE OF SUCH A CHILD OR
17 BETWEEN PARENT AND TRUSTEE FOR THE BENEFIT OF A CHILD OR THE
18 SPOUSE OF SUCH CHILD, TRANSFERS BETWEEN A GRANDPARENT AND
19 GRANDCHILD OR THE SPOUSE OF SUCH GRANDCHILD, BY AND BETWEEN A
20 PRINCIPAL AND STRAW PARTY FOR THE PURPOSE OF PLACING A MORTGAGE
21 OR GROUND RENT UPON THE PREMISES, CORRECTIONAL DEEDS WITHOUT
22 CONSIDERATION, TRANSFERS TO THE UNITED STATES, THE COMMONWEALTH
23 OF PENNSYLVANIA, OR TO ANY OF THEIR INSTRUMENTALITIES, AGENCIES
24 OR POLITICAL SUBDIVISIONS, BY GIFT, DEDICATION OR DEED IN LIEU
25 OF CONDEMNATION, OR DEED OF CONFIRMATION IN CONNECTION WITH
26 CONDEMNATION PROCEEDINGS, OR RECONVEYANCE BY THE CONDEMNING BODY
27 OF THE PROPERTY CONDEMNED TO THE OWNER OF RECORD AT THE TIME OF
28 CONDEMNATION WHICH RECONVEYANCE MAY INCLUDE PROPERTY LINE
29 ADJUSTMENTS PROVIDED SAID RECONVEYANCE IS MADE WITHIN ONE YEAR
30 FROM THE DATE OF CONDEMNATION, LEASES, A CONVEYANCE TO A TRUSTEE

1 UNDER A RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF
2 HOLDING TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE
3 TIME OF THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER
4 AND REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-
5 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER BY THE
6 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER
7 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED
8 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART
9 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY
10 UNOCCUPIED RESIDENTIAL PREMISES OR ANY TRANSFER FROM A PURCHASE
11 MONEY MORTGAGOR TO THE VENDOR HOLDING THE PURCHASE MONEY
12 MORTGAGE WHETHER PURSUANT TO A FORECLOSURE OR IN LIEU THEREOF,
13 OR CONVEYANCES TO MUNICIPALITIES, TOWNSHIPS, SCHOOL DISTRICTS
14 AND COUNTIES PURSUANT TO ACQUISITION BY MUNICIPALITIES,
15 TOWNSHIPS, SCHOOL DISTRICTS AND COUNTIES OF TAX DELINQUENT
16 PROPERTIES AT SHERIFF SALE OR TAX CLAIM BUREAU, OR ANY TRANSFER
17 BETWEEN RELIGIOUS ORGANIZATIONS OR OTHER BODIES OR PERSONS
18 HOLDING TITLE TO REAL ESTATE FOR A RELIGIOUS ORGANIZATION IF
19 SUCH REAL ESTATE IS NOT BEING OR HAS NOT BEEN USED BY SUCH
20 TRANSFEROR FOR COMMERCIAL PURPOSES, OR IN ANY SHERIFF SALE
21 INSTITUTED BY A MORTGAGEE IN WHICH THE PURCHASER OF SAID SHERIFF
22 SALE IS THE MORTGAGEE WHO INSTITUTED SAID SALE.

23 "PERSON." EVERY NATURAL PERSON, ASSOCIATION, OR CORPORATION.
24 WHENEVER USED IN ANY CLAUSE PRESCRIBING AND IMPOSING A FINE OR
25 IMPRISONMENT, OR BOTH, THE TERM "PERSON" AS APPLIED TO
26 ASSOCIATIONS, SHALL MEAN THE PARTNERS OR MEMBERS THEREOF, AND AS
27 APPLIED TO CORPORATIONS, THE OFFICERS THEREOF.

28 "TRANSACTION." THE MAKING, EXECUTING, DELIVERING, ACCEPTING,
29 OR PRESENTING FOR RECORDING OF A DOCUMENT.

30 "VALUE." IN THE CASE OF ANY DOCUMENT GRANTING, BARGAINING,

1 SELLING, OR OTHERWISE CONVEYING ANY LAND, TENEMENT OR
2 HEREDITAMENT, OR INTEREST THEREIN, THE AMOUNT OF THE ACTUAL
3 CONSIDERATION THEREFOR, INCLUDING LIENS OR OTHER ENCUMBRANCES
4 THEREON AND GROUND RENTS, OR A COMMENSURATE PART OF THE LIENS OR
5 OTHER ENCUMBRANCES THEREON AND GROUND RENTS WHERE SUCH LIENS OR
6 OTHER ENCUMBRANCES AND GROUND RENTS ALSO ENCUMBER OR ARE CHARGED
7 AGAINST OTHER LANDS, TENEMENTS OR HEREDITAMENTS: PROVIDED, THAT
8 WHERE SUCH DOCUMENTS SHALL SET FORTH A SMALL OR NOMINAL
9 CONSIDERATION, THE "VALUE" THEREOF SHALL BE DETERMINED FROM THE
10 PRICE SET FORTH IN OR ACTUAL CONSIDERATION FOR THE CONTRACT OF
11 SALE, OR, IN THE CASE OF A GIFT, OR ANY OTHER DOCUMENT WITHOUT
12 CONSIDERATION, FROM THE ACTUAL MONETARY WORTH OF THE PROPERTY
13 GRANTED, BARGAINED, SOLD, OR OTHERWISE CONVEYED, WHICH, IN
14 EITHER EVENT, SHALL NOT BE LESS THAN THE AMOUNT OF THE HIGHEST
15 ASSESSMENT OF SUCH LANDS, TENEMENTS OR HEREDITAMENTS FOR LOCAL
16 TAX PURPOSES.

17 SECTION 1102-C. IMPOSITION OF TAX.--EVERY PERSON WHO MAKES,
18 EXECUTES, DELIVERS, ACCEPTS OR PRESENTS FOR RECORDING ANY
19 DOCUMENT OR IN WHOSE BEHALF ANY DOCUMENT IS MADE, EXECUTED,
20 DELIVERED, ACCEPTED OR PRESENTED FOR RECORDING, SHALL BE SUBJECT
21 TO PAY FOR AND IN RESPECT TO THE TRANSACTION OR ANY PART
22 THEREOF, OR FOR OR IN RESPECT OF THE VELLUM PARCHMENT OR PAPER
23 UPON WHICH SUCH DOCUMENT IS WRITTEN OR PRINTED, A STATE TAX AT
24 THE RATE OF ONE PER CENT OF THE VALUE OF THE PROPERTY
25 REPRESENTED BY SUCH DOCUMENT, WHICH STATE TAX SHALL BE PAYABLE
26 AT THE TIME OF MAKING, EXECUTION, DELIVERY, ACCEPTANCE OR
27 PRESENTING FOR RECORDING OF SUCH DOCUMENT.

28 SECTION 1103-C. TRANSFER BY BROKER.--WHERE THERE IS A
29 TRANSFER OF A RESIDENTIAL PROPERTY BY A LICENSED REAL ESTATE
30 BROKER WHICH PROPERTY WAS TRANSFERRED TO HIM WITHIN THE

1 PRECEDING YEAR AS PART OF THE CONSIDERATION FOR THE PURCHASE OF
2 OTHER RESIDENTIAL PROPERTY, A CREDIT FOR THE AMOUNT OF THE TAX
3 PAID AT THE TIME OF THE TRANSFER TO HIM SHALL BE GIVEN TO HIM
4 TOWARD THE AMOUNT OF THE TAX DUE UPON THE TRANSFER. IF THE TAX
5 DUE UPON THE TRANSFER FROM THE LICENSED REAL ESTATE BROKER IS
6 GREATER THAN THE CREDIT GIVEN FOR THE PRIOR TRANSFER, THE
7 DIFFERENCE SHALL BE PAID, AND IF THE CREDIT ALLOWED IS GREATER
8 THAN THE AMOUNT OF THE TAX DUE, NO REFUND SHALL BE ALLOWED.

9 SECTION 1104-C. PROCEEDS OF JUDICIAL SALE.--THE TAX HEREIN
10 IMPOSED SHALL BE FULLY PAID, AND HAVE PRIORITY OUT OF THE
11 PROCEEDS OF ANY JUDICIAL SALE OF REAL ESTATE BEFORE ANY OTHER
12 OBLIGATION, CLAIM, LIEN, JUDGMENT, ESTATE OR COSTS OF THE SALE
13 AND OF THE WRIT UPON WHICH THE SALE IS MADE, AND THE SHERIFF, OR
14 OTHER OFFICER, CONDUCTING SAID SALE, SHALL PAY THE TAX HEREIN
15 IMPOSED OUT OF THE FIRST MONEYS PAID TO HIM IN CONNECTION
16 THEREWITH.

17 SECTION 1105-C. DOCUMENTARY STAMPS.--THE PAYMENT OF THE TAX
18 IMPOSED BY THIS ARTICLE SHALL BE EVIDENCED BY THE AFFIXING OF A
19 DOCUMENTARY STAMP OR STAMPS TO EVERY DOCUMENT BY THE PERSON
20 MAKING, EXECUTING, DELIVERING OR PRESENTING FOR RECORDING SUCH
21 DOCUMENT. SUCH STAMPS SHALL BE AFFIXED IN SUCH MANNER THAT THEIR
22 REMOVAL WILL REQUIRE THE CONTINUED APPLICATION OF STEAM OR
23 WATER, AND THE PERSON USING OR AFFIXING SUCH STAMPS SHALL WRITE
24 OR STAMP OR CAUSE TO BE WRITTEN OR STAMPED THEREON THE INITIALS
25 OF HIS NAME AND THE DATE UPON WHICH SUCH STAMPS ARE AFFIXED OR
26 USED SO THAT SUCH STAMPS MAY NOT AGAIN BE USED: PROVIDED, THAT
27 THE DEPARTMENT MAY PRESCRIBE SUCH OTHER METHOD OF CANCELLATION
28 AS IT MAY DEEM EXPEDIENT.

29 SECTION 1106-C. FURNISHING STAMPS.--(A) THE DEPARTMENT
30 SHALL PRESCRIBE, PREPARE AND FURNISH STAMPS TO EACH RECORDER OF

1 DEEDS, OF SUCH DENOMINATIONS AND QUANTITIES AS MAY BE NECESSARY,
2 FOR THE PAYMENT OF THE TAX IMPOSED AND ASSESSED BY THIS ARTICLE.

3 (B) THE DEPARTMENT SHALL ALLOW EACH COUNTY A COMMISSION
4 EQUAL TO ONE PER CENT OF THE FACE VALUE OF THE STAMPS OR TWO
5 HUNDRED FIFTY DOLLARS (\$250) WHICHEVER IS GREATER. THE RECORDER
6 OF DEEDS SHALL PAY THE COMMISSION HEREIN ALLOWED TO THE GENERAL
7 FUND OF THE COUNTY. THE DEPARTMENT SHALL PAY THE PREMIUM OR
8 PREMIUMS ON ANY BOND OR BONDS REQUIRED BY LAW TO BE PROCURED BY
9 RECORDER OF DEEDS FOR THE PERFORMANCE OF THEIR DUTIES UNDER THIS
10 ARTICLE.

11 (C) ALL MONEYS PAID INTO THE STATE TREASURY DURING THE
12 EFFECTIVE PERIOD OF THIS ARTICLE SHALL BE CREDITED TO THE
13 GENERAL FUND.

14 SECTION 1107-C. ENFORCEMENT; RULES AND REGULATIONS.--THE
15 DEPARTMENT IS HEREBY CHARGED WITH THE ENFORCEMENT OF THE
16 PROVISIONS OF THIS ARTICLE AND IS HEREBY AUTHORIZED AND
17 EMPOWERED TO PRESCRIBE, ADOPT, PROMULGATE AND ENFORCE RULES AND
18 REGULATIONS RELATING TO:

19 (1) THE METHOD AND MEANS TO BE USED IN AFFIXING OR
20 CANCELLING OF STAMPS IN SUBSTITUTION FOR OR IN ADDITION TO THE
21 METHOD AND MEANS PROVIDED IN THIS ARTICLE.

22 (2) THE DENOMINATIONS AND SALE OF STAMPS.

23 (3) ANY OTHER MATTER OR THING PERTAINING TO THE
24 ADMINISTRATION AND ENFORCEMENT OF THE PROVISIONS OF THIS
25 ARTICLE.

26 SECTION 1108-C. FAILURE TO AFFIX STAMPS.--NO DOCUMENT UPON
27 WHICH TAX IS IMPOSED BY THIS ARTICLE SHALL BE MADE THE BASIS OF
28 ANY ACTION OR OTHER LEGAL PROCEEDING, NOR SHALL PROOF THEREOF BE
29 OFFERED OR RECEIVED IN EVIDENCE IN ANY COURT OF THIS
30 COMMONWEALTH, OR RECORDED IN THE OFFICE OF ANY RECORDER OF DEEDS

1 OF ANY COUNTY OF THIS COMMONWEALTH, UNLESS A DOCUMENTARY STAMP
2 OR STAMPS AS PROVIDED IN THIS ARTICLE HAVE BEEN AFFIXED THERETO.

3 SECTION 1109-C. STATEMENT OF VALUE; PENALTY.--(A) EVERY
4 DOCUMENT WHEN LODGED WITH OR PRESENTED TO ANY RECORDER OF DEEDS
5 IN THIS COMMONWEALTH FOR RECORDING, SHALL SET FORTH THEREIN AND
6 AS A PART OF SUCH DOCUMENT THE TRUE, FULL AND COMPLETE VALUE
7 THEREOF, OR SHALL BE ACCOMPANIED BY AN AFFIDAVIT EXECUTED BY A
8 RESPONSIBLE PERSON CONNECTED WITH THE TRANSACTION SHOWING SUCH
9 CONNECTION AND SETTING FORTH THE TRUE, FULL AND COMPLETE VALUE
10 THEREOF OR THE REASON, IF ANY, WHY SUCH DOCUMENT IS NOT SUBJECT
11 TO TAX UNDER THIS ARTICLE. THE PROVISIONS OF THIS SUBSECTION
12 SHALL NOT APPLY TO ANY REAL ESTATE TRANSFERS WHICH ARE EXEMPT
13 FROM TAXATION BASED ON FAMILY RELATIONSHIP.

14 (B) ANY RECORDER OF DEEDS WHO SHALL RECORD ANY DOCUMENT UPON
15 WHICH TAX IS IMPOSED BY THIS ARTICLE WITHOUT THE PROPER
16 DOCUMENTARY STAMP OR STAMPS AFFIXED THERETO AS REQUIRED BY THIS
17 ARTICLE AS IS INDICATED IN SUCH DOCUMENT OR ACCOMPANYING
18 AFFIDAVIT, SHALL, UPON SUMMARY CONVICTION BEFORE ANY MAGISTRATE,
19 ALDERMAN OR JUSTICE OF THE PEACE, OR OTHER OFFICER HAVING THE
20 POWERS OF A COMMITTING MAGISTRATE, BE SENTENCED TO PAY A FINE OF
21 FIFTY DOLLARS (\$50) AND COSTS OF PROSECUTION, AND IN DEFAULT OF
22 PAYMENT THEREOF, UNDERGO IMPRISONMENT FOR NOT MORE THAN THIRTY
23 DAYS: PROVIDED, THAT WHEN ANY DOCUMENT SHALL HAVE BEEN RECORDED,
24 IT SHALL BE PRESUMED THAT ALL REQUIREMENTS OF LAW AFFECTING THE
25 TITLE TO ANY REAL PROPERTY CONVEYED THEREBY HAVE BEEN COMPLIED
26 WITH.

27 SECTION 1110-C. UNLAWFUL ACTS; PENALTY.--(A) IT SHALL BE
28 UNLAWFUL FOR ANY PERSON TO:

29 (1) MAKE, EXECUTE, DELIVER, ACCEPT OR PRESENT FOR RECORDING
30 OR CAUSE TO BE MADE, EXECUTED, DELIVERED, ACCEPTED OR PRESENTED

1 FOR RECORDING ANY DOCUMENT, WITHOUT THE FULL AMOUNT OF TAX
2 THEREON BEING DULY PAID; OR,

3 (2) MAKE USE OF ANY DOCUMENTARY STAMP TO DENOTE PAYMENT OF
4 ANY TAX IMPOSED BY THIS ARTICLE WITHOUT CANCELLING SUCH STAMP AS
5 REQUIRED BY THIS ARTICLE OR AS PRESCRIBED BY THE DEPARTMENT; OR,

6 (3) FAIL, NEGLECT OR REFUSE TO COMPLY WITH OR VIOLATE THE
7 RULES AND REGULATIONS PRESCRIBED, ADOPTED AND PROMULGATED BY THE
8 DEPARTMENT UNDER THE PROVISIONS OF THIS ARTICLE.

9 (B) ANY PERSON VIOLATING ANY OF THE PROVISIONS OF SUBSECTION

10 (A) SHALL BE GUILTY OF A MISDEMEANOR, AND, UPON CONVICTION
11 THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT MORE THAN FIVE
12 HUNDRED DOLLARS (\$500) AND COSTS OF PROSECUTION, OR TO UNDERGO
13 IMPRISONMENT OF NOT MORE THAN NINETY DAYS, OR BOTH, IN THE
14 DISCRETION OF THE COURT.

15 (C) IT SHALL BE UNLAWFUL FOR ANY PERSON TO:

16 (1) FRAUDULENTLY CUT, TEAR OR REMOVE FROM A DOCUMENT ANY
17 DOCUMENTARY STAMP; OR,

18 (2) FRAUDULENTLY AFFIX TO ANY DOCUMENT UPON WHICH TAX IS
19 IMPOSED BY THIS ARTICLE ANY DOCUMENTARY STAMP WHICH HAS BEEN
20 CUT, TORN OR REMOVED FROM ANY OTHER DOCUMENT UPON WHICH TAX IS
21 IMPOSED BY THIS ARTICLE, OR ANY DOCUMENTARY STAMP OF
22 INSUFFICIENT VALUE, OR ANY FORGED OR COUNTERFEITED STAMP, OR ANY
23 IMPRESSION OF ANY FORGED OR COUNTERFEITED STAMP, DIE, PLATE OR
24 OTHER ARTICLE; OR,

25 (3) WILFULLY REMOVE OR ALTER THE CANCELLATION MARKS OF ANY
26 DOCUMENTARY STAMP, OR RESTORE ANY SUCH DOCUMENTARY STAMP, WITH
27 INTENT TO USE OR CAUSE THE SAME TO BE USED AFTER IT HAS ALREADY
28 BEEN USED, OR KNOWINGLY BUY, SELL, OFFER FOR SALE, OR GIVE AWAY
29 ANY SUCH ALTERED OR RESTORED STAMP TO ANY PERSON FOR USE, OR
30 KNOWINGLY USE THE SAME; OR,

1 (4) KNOWINGLY HAVE IN HIS POSSESSION ANY ALTERED OR RESTORED
2 DOCUMENTARY STAMP WHICH HAS BEEN REMOVED FROM ANY DOCUMENT UPON
3 WHICH TAX IS IMPOSED BY THIS ARTICLE: PROVIDED, THAT THE
4 POSSESSION OF SUCH STAMPS SHALL BE PRIMA FACIE EVIDENCE OF AN
5 INTENT TO VIOLATE THE PROVISIONS OF THIS CLAUSE; OR,

6 (5) KNOWINGLY OR WILFULLY PREPARE, KEEP, SELL, OFFER FOR
7 SALE, OR HAVE IN HIS POSSESSION, ANY FORGED OR COUNTERFEITED
8 DOCUMENTARY STAMPS.

9 (D) ANY PERSON VIOLATING ANY OF THE PROVISIONS OF SUBSECTION
10 (C) SHALL BE GUILTY OF A MISDEMEANOR, AND, UPON CONVICTION
11 THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN FIVE
12 HUNDRED DOLLARS (\$500) NOR MORE THAN ONE THOUSAND DOLLARS
13 (\$1,000) AND COSTS OF PROSECUTION, OR TO UNDERGO IMPRISONMENT
14 FOR NOT MORE THAN FIVE YEARS, OR BOTH, IN THE DISCRETION OF THE
15 COURT.

16 SECTION 1111-C. FAILURE TO PAY TAX; REVIEW.--(A) IF ANY
17 PERSON SHALL FAIL TO PAY ANY TAX IMPOSED BY THIS ARTICLE FOR
18 WHICH HE IS LIABLE, THE DEPARTMENT IS HEREBY AUTHORIZED AND
19 EMPOWERED TO MAKE A DETERMINATION OF ADDITIONAL TAX AND INTEREST
20 DUE BY SUCH PERSON BASED UPON ANY INFORMATION WITHIN ITS
21 POSSESSION OR THAT SHALL COME INTO ITS POSSESSION. ALL OF SUCH
22 DETERMINATIONS SHALL BE MADE SO THAT NOTICE THEREOF SHALL REACH
23 THE PARTIES AGAINST WHOM MADE WITHIN THREE YEARS AFTER THE DATE
24 OF THE RECORDING OF THE DOCUMENT.

25 (B) PROMPTLY AFTER THE DATE OF SUCH DETERMINATION, THE
26 DEPARTMENT SHALL SEND, BY REGISTERED MAIL, A COPY THEREOF TO THE
27 PERSON AGAINST WHOM IT WAS MADE. WITHIN NINETY DAYS AFTER THE
28 DATE UPON WHICH THE COPY OF ANY SUCH DETERMINATION WAS MAILED,
29 SUCH PERSON MAY FILE WITH THE DEPARTMENT A PETITION FOR
30 REDETERMINATION OF SUCH TAXES. EVERY PETITION FOR

1 REDETERMINATION SHALL STATE SPECIFICALLY THE REASONS WHICH THE
2 PETITIONER BELIEVES ENTITLE HIM TO SUCH REDETERMINATION, AND IT
3 SHALL BE SUPPORTED BY AFFIRMATION THAT IT IS NOT MADE FOR THE
4 PURPOSE OF DELAY AND THAT THE FACTS SET FORTH THEREIN ARE TRUE.
5 IT SHALL BE THE DUTY OF THE DEPARTMENT WITHIN SIX MONTHS AFTER
6 THE DATE OF ANY DETERMINATION TO DISPOSE OF ANY PETITION FOR
7 REDETERMINATION. NOTICE OF THE ACTION TAKEN UPON ANY PETITION
8 FOR REDETERMINATION SHALL BE GIVEN TO THE PETITIONER PROMPTLY
9 AFTER THE DATE OF REDETERMINATION BY THE DEPARTMENT.

10 (C) ANY PERSON SHALL HAVE THE RIGHT TO REVIEW BY THE BOARD
11 OF FINANCE AND REVENUE AND APPEAL IN THE SAME MANNER AND WITHIN
12 THE SAME TIME AS PROVIDED BY LAW IN THE CASE OF CAPITAL STOCK
13 AND FRANCHISE TAXES IMPOSED UPON CORPORATIONS.

14 SECTION 1112-C. LIEN.--(A) ANY TAX DETERMINED TO BE DUE BY
15 ANY PERSON HEREUNDER AND REMAINING UNPAID AFTER DEMAND FOR THE
16 SAME, AND ALL PENALTIES AND INTEREST THEREON, SHALL BE A LIEN IN
17 FAVOR OF THE COMMONWEALTH UPON THE PROPERTY, BOTH REAL AND
18 PERSONAL, OF SUCH PERSON BUT ONLY AFTER SAID LIEN HAS BEEN
19 ENTERED AND DOCKETED OF RECORD BY THE PROTHONOTARY OF THE COUNTY
20 WHERE SUCH PROPERTY IS SITUATED. THE DEPARTMENT MAY AT ANY TIME
21 TRANSMIT TO THE PROTHONOTARIES OF THE RESPECTIVE COUNTIES
22 CERTIFIED COPIES OF ALL LIENS FOR SUCH TAXES, PENALTIES AND
23 INTEREST, AND IT SHALL BE THE DUTY OF EACH PROTHONOTARY
24 RECEIVING THE LIEN TO ENTER AND DOCKET THE SAME OF RECORD IN HIS
25 OFFICE, WHICH LIEN SHALL BE INDEXED AS JUDGMENTS ARE NOW
26 INDEXED. A WRIT OF EXECUTION MAY DIRECTLY ISSUE UPON SUCH LIEN
27 WITHOUT THE ISSUANCE AND PROSECUTION TO JUDGMENT OF A WRIT OF
28 SCIRE FACIAS: PROVIDED, THAT NOT LESS THAN TEN DAYS BEFORE
29 ISSUANCE OF ANY EXECUTION ON THE LIEN, NOTICE OF THE FILING AND
30 THE EFFECT OF THE LIEN SHALL BE SENT BY REGISTERED MAIL TO THE

1 TAXPAYER AT HIS LAST KNOWN POST OFFICE ADDRESS. NO PROTHONOTARY
2 SHALL REQUIRE AS A CONDITION PRECEDENT TO THE ENTRY OF SUCH
3 LIENS, THE PAYMENT OF ANY COSTS INCIDENT THERETO.

4 (B) THE LIEN IMPOSED HEREUNDER SHALL HAVE PRIORITY FROM THE
5 DATE OF ITS RECORDING AS AFORESAID, AND SHALL BE FULLY PAID AND
6 SATISFIED OUT OF THE PROCEEDS OF ANY JUDICIAL SALE OF PROPERTY
7 SUBJECT THERETO BEFORE ANY OTHER OBLIGATION, JUDGMENT, CLAIM,
8 LIEN OR ESTATE TO WHICH SAID PROPERTY MAY SUBSEQUENTLY BECOME
9 SUBJECT, EXCEPT COSTS OF THE SALE AND OF THE WRIT UPON WHICH THE
10 SALE WAS MADE, AND REAL ESTATE TAXES AND MUNICIPAL CLAIMS
11 AGAINST SUCH PROPERTY, BUT SHALL BE SUBORDINATE TO MORTGAGES AND
12 OTHER LIENS EXISTING AND DULY RECORDED OR ENTERED OF RECORD
13 PRIOR TO THE RECORDING OF THE TAX LIEN. IN THE CASE OF A
14 JUDICIAL SALE OF PROPERTY SUBJECT TO A LIEN IMPOSED HEREUNDER
15 UPON A LIEN OR CLAIM OVER WHICH THE LIEN IMPOSED HEREUNDER HAS
16 PRIORITY, AS AFORESAID, SUCH SALE SHALL DISCHARGE THE LIEN
17 IMPOSED HEREUNDER TO THE EXTENT ONLY THAT THE PROCEEDS ARE
18 APPLIED TO ITS PAYMENT, AND SUCH LIEN SHALL CONTINUE IN FULL
19 FORCE AND EFFECT AS TO THE BALANCE REMAINING UNPAID.

20 (C) THE DEPARTMENT MAY AT ANY TIME TRANSMIT, TO THE
21 PROTHONOTARIES OF THE RESPECTIVE COUNTIES OF THE COMMONWEALTH TO
22 BE BY THEM ENTERED OF RECORD AND INDEXED AS JUDGMENTS ARE NOW
23 INDEXED, CERTIFIED COPIES OF ALL LIENS, AND A WRIT OF EXECUTION
24 MAY DIRECTLY ISSUE UPON SUCH LIEN WITHOUT THE ISSUANCE AND
25 PROSECUTION TO JUDGMENT OF A WRIT OF SCIRE FACIAS: PROVIDED,
26 THAT NOT LESS THAN TEN DAYS BEFORE ISSUANCE OF ANY EXECUTION ON
27 THE LIEN, NOTICE OF THE FILING AND THE EFFECT OF THE LIEN SHALL
28 BE SENT CERTIFIED MAIL TO THE TAXPAYER AT HIS LAST KNOWN POST
29 OFFICE ADDRESS.

30 (D) THE LIEN IMPOSED HEREUNDER SHALL CONTINUE FOR FIVE YEARS

1 FROM THE DATE OF ITS ENTRY OF RECORD, AND MAY BE RENEWED AND
2 CONTINUED IN THE MANNER NOW OR HEREAFTER PROVIDED FOR THE
3 RENEWAL OF JUDGMENTS, OR AS MAY BE PROVIDED IN THE ACT OF APRIL
4 9, 1929 (P.L.343, NO.178), KNOWN AS "THE FISCAL CODE."

5 SECTION 5. THE VALIDITY OF ANY LAW OR ANY ORDINANCE OR PART
6 OF LAW OR OF ANY ORDINANCE, OR ANY RESOLUTION OR PART OF ANY
7 RESOLUTION, AND ANY AMENDMENTS OR SUPPLEMENTS THERETO, NOW OR
8 HEREAFTER ENACTED OR ADOPTED BY THE COMMONWEALTH OR ANY
9 POLITICAL SUBDIVISION THEREOF, PROVIDING FOR OR RELATING TO THE
10 IMPOSITION, LEVY OR COLLECTION OF ANY TAX, SHALL NOT BE AFFECTED
11 OR IMPAIRED BY ANYTHING CONTAINED IN ARTICLE XI-C ADDED BY THIS
12 ACT.

13 SECTION 6. THE ACT OF DECEMBER 27, 1951 (P.L.1742, NO.467),
14 ENTITLED, AS AMENDED, "AN ACT TO PROVIDE REVENUE BY IMPOSING A
15 STATE TAX RELATING TO CERTAIN DOCUMENTS AND TRANSACTIONS;
16 PRESCRIBING AND REGULATING THE METHOD AND MANNER OF EVIDENCING
17 THE PAYMENT OF SUCH TAX; CONFERRING POWERS AND IMPOSING DUTIES
18 UPON CERTAIN PERSONS, PARTNERSHIPS, ASSOCIATIONS, AND
19 CORPORATIONS, SHERIFFS, RECORDERS OF DEEDS, AND THE DEPARTMENT
20 OF REVENUE; SAVING CERTAIN STATE AND LOCAL TAXES AND AUTHORIZING
21 AMENDMENTS, EXTENSIONS AND SUPPLEMENTS TO THE ORDINANCES AND
22 RESOLUTIONS RELATING THERETO; AND PROVIDING PENALTIES," IS
23 REPEALED.

24 SECTION 7. SECTION 2 SHALL APPLY TO TAXABLE INCOME FOR THE
25 CALENDAR OR FISCAL YEAR OF THE CORPORATION, BEGINNING ON OR
26 AFTER JANUARY 1, 1981.

27 SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.