

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1794

Session of
1983

INTRODUCED BY MERRY, DOMBROWSKI, BOWSER, CAPPABIANCA, BOYES,
FARGO, ROBBINS, ANGSTADT, PETRONE, MADIGAN, TRELLO, GRIECO,
MORRIS AND LEVI, DECEMBER 6, 1983

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 14, 1984

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 family farm corporation
11 exemption from capital stock tax.

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

14 Section 1. Section 602.2 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, added October 17,
16 1980 (P.L.1077, No.179), is amended to read:

17 Section 602.2. Family Farm Corporation Exemption.--(a) The
18 provisions of section 602 shall not apply to family farm
19 corporations. Family farm corporations shall be exempt from the
20 tax imposed by section 602.

21 (b) (1) Family farm corporation means a Pennsylvania

1 corporation at least seventy-five per cent of the assets of
2 which are devoted to the business of agriculture ~~or~~ <—
3 ~~horticulture~~, HORTICULTURE OR DAIRY FARMING AS PURSUANT TO <—
4 SECTION 201 OF THIS ACT, which business, for the purposes of
5 this definition, shall not be deemed to include (i) recreational
6 activities such as, but not limited to, hunting, fishing,
7 camping, skiing, show competition or racing; (ii) the raising,
8 breeding or training of game animals or game birds, fish, cats,
9 dogs or pets, or animals intended for use in sporting or
10 recreational activities; (iii) fur farming; (iv) stockyard and
11 slaughterhouse operations; or (v) manufacturing or processing
12 operations of any kind: Provided, however, That at least
13 seventy-five per cent of all of the stock of the corporation
14 must be owned by members of the same family.

15 (2) Members of the same family shall mean an individual,
16 such individual's brothers and sisters, the brothers and sisters
17 of such individual's parents and grandparents, the ancestors and
18 lineal descendents of any of the foregoing and a spouse of any
19 of the foregoing. Individuals related by the half blood or by
20 legal adoption shall be treated as if they were related by the
21 whole blood.

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