

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 235 Session of
1999

INTRODUCED BY BARD, LYNCH, MAITLAND, VANCE, NICKOL, BAKER,
BENNINGHOFF, EACHUS, EGOLF, HARHAI, HENNESSEY, LAUGHLIN,
McILHINNEY, RUBLEY, SATHER, SEMMEL, SERAFINI, SEYFERT,
STEELMAN, STERN, TRELLO AND YOUNGBLOOD, FEBRUARY 1, 1999

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 1, 1999

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," providing for an inheritance tax exemption for
11 agricultural and forest reserve property.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding a section to
16 read:

17 Section 2112.1. Exemption for Agricultural and Forest
18 Reserve Property.--(a) The General Assembly, in recognition of
19 the powers contained in section 2(b)(i) of Article VIII of the
20 Constitution of Pennsylvania, which provides for establishing
21 standards and qualifications for private forest reserves,

agriculture reserves and land actively devoted to agricultural use and for making special provisions for the taxation thereof, declares as its legislative intent and purpose to implement such powers under such Constitutional provision by establishing a tax exemption.

(b) The General Assembly finds and declares as follows:

(1) The Commonwealth should provide a benefit to its citizens by preserving predominantly undeveloped open spaces and conserving natural resources. This clause includes forest reserves, agricultural reserves and farmland.

(2) Undeveloped open-space land in many parts of this Commonwealth is under pressure from expanding metropolitan areas.

(3) Much undeveloped open-space land in this Commonwealth is in jeopardy of being lost. Some of this land constitutes a unique and irreplaceable land resource of Statewide importance.

(4) It is the purpose of this section to provide means by which open-space land may be protected and enhanced as a viable segment of this Commonwealth's economy and as an economic and environmental resource of major importance.

(c) To qualify for a tax exemption under subsection (d), the property must be land which:

(1) is subject to an agricultural conservation easement under the act of June 30, 1981 (P.L.128, No.43), known as the "Agricultural Area Security Law"; or

(2) qualifies for preferential assessment under the act of December 19, 1974 (P.L.973, No.319), known as the "Pennsylvania Farmland and Forest Land Assessment Act of 1974."

(d) Notwithstanding any other provision of this article, transfers of property which meet the standards of eligibility

1 established by subsection (c) shall be deemed a separate class
2 subject to taxation and, as such, shall be exempt from taxation
3 on transfers of property imposed by this article.

4 Section 2. The addition of section 2112.1 of the act shall
5 apply to the estates of decedents who die on or after the
6 effective date of this act.

7 Section 3. This act shall take effect in 60 days.