

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 335 Session of
1989

INTRODUCED BY GEIST, CLYMER, S. H. SMITH, MARKOSEK, SERAFINI,
LEH, DIETTERICK, VROON, HALUSKA, NOYE, PETRONE, MICOZZIE,
PHILLIPS, COLAFELLA, JOHNSON, McVERRY, ROBBINS AND HESS,
FEBRUARY 8, 1989

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 8, 1989

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 defining "manufacture."

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

13 Section 1. Section 201(c) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
15 November 26, 1978 (P.L.1287, No.306), is amended to read:

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

20 * * *

21 (c) "Manufacture." The performance of manufacturing,

1 fabricating, compounding, processing or other operations,
2 engaged in as a business, which place any personal property in a
3 form, composition or character different from that in which it
4 is acquired whether for sale or use by the manufacturer, and
5 shall include, but not limited to--

6 (1) Every operation commencing with the first production
7 stage and ending with the completion of personal property having
8 the physical qualities (including packaging, if any, passing to
9 the ultimate consumer) which it has when transferred by the
10 manufacturer to another;

11 (2) The publishing of books, newspapers, magazines and other
12 periodicals and printing;

13 (3) Refining, blasting, exploring, mining and quarrying for,
14 or otherwise extracting from the earth or from waste or stock
15 piles or from pits or banks any natural resources, minerals and
16 mineral aggregates including blast furnace slag;

17 (4) Building, rebuilding, repairing and making additions to,
18 or replacements in or upon vessels designed for commercial use
19 of registered tonnage of fifty tons or more when produced upon
20 special order of the purchaser, or when rebuilt, repaired or
21 enlarged, or when replacements are made upon order of, or for
22 the account of the owner;

23 (5) Research having as its objective the production of a new
24 or an improved (i) product or utility service, or (ii) method of
25 producing a product or utility service, but in either case not
26 including market research or research having as its objective
27 the improvement of administrative efficiency[.];

28 (6) The remanufacture of internal combustion engines and
29 components used on equipment powered by internal combustion
30 engines. Remanufacture is defined as the procedure in which new

1 replacement parts, if required, are assembled with used engine
2 and/or component parts which have been subjected to cleaning
3 and/or refurbishment procedures such as boring, honing,
4 polishing and straightening for the purpose of returning the
5 engines and components to a functioning state. Components of
6 internal combustion engines are defined as starters,
7 alternators, carburetors, heads, crankshafts, cam shafts and
8 other integral parts of equipment powered by internal combustion
9 engines. Remanufacturing, which contemplates an on-going
10 assembly line type operation, shall be distinguished from
11 rebuilding or repairing which takes place on a "one-at-a-time"
12 or "custom" basis. This definition is not intended to apply to
13 repair facilities or service facilities, such as automobile
14 and/or truck dealers, service and/or repair garages.

15 The term "manufacture," shall not include constructing,
16 altering, servicing, repairing or improving real estate or
17 repairing, servicing or installing personal property.

18 * * *

19 Section 2. This act shall take effect immediately.