

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2596 Session of
1986

INTRODUCED BY MANDERINO, PIEVSKY, TRELLO, IRVIS, O'DONNELL,
ITKIN, D. R. WRIGHT, DOMBROWSKI AND FEE, JUNE 10, 1986

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 30, 1986

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 AN EXCLUSION FROM THE SALES <—
11 AND USE TAX AND FOR a reduction in the personal income tax
12 and corporate net income tax rates and a change in the
13 estimated tax limit; FURTHER PROVIDING FOR THE REALTY <—
14 TRANSFER TAX; adding an exemption to the capital stock-
15 franchise tax definitions; reducing tentative tax payments
16 for the capital stock-franchise tax; and providing for a job
17 creation tax credit.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 SECTION 1. SECTION 201(K)(8)(C) AND (D) AND (O)(4)(B)(III) <—
21 AND (IV) OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE
22 TAX REFORM CODE OF 1971, AMENDED DECEMBER 9, 1980 (P.L.1136,
23 NO.202), ARE AMENDED TO READ:

24 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND

1 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
2 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
3 CLEARLY INDICATES A DIFFERENT MEANING:

4 * * *

5 (K) "SALE AT RETAIL."

6 * * *

7 (8) ANY RETENTION OF POSSESSION, CUSTODY OR A LICENSE TO USE
8 OR CONSUME TANGIBLE PERSONAL PROPERTY OR ANY FURTHER OBTAINING
9 OF SERVICES DESCRIBED IN SUBCLAUSES (2), (3) AND (4) OF THIS
10 CLAUSE PURSUANT TO A RENTAL OR SERVICE CONTRACT OR OTHER
11 ARRANGEMENT (OTHER THAN AS SECURITY).

12 THE TERM "SALE AT RETAIL" SHALL NOT INCLUDE (I) ANY SUCH
13 TRANSFER OF TANGIBLE PERSONAL PROPERTY OR RENDITION OF SERVICES
14 FOR THE PURPOSE OF RESALE, OR (II) SUCH RENDITION OF SERVICES OR
15 THE TRANSFER OF TANGIBLE PERSONAL PROPERTY INCLUDING, BUT NOT
16 LIMITED TO, MACHINERY AND EQUIPMENT AND PARTS THEREFOR AND
17 SUPPLIES TO BE USED OR CONSUMED BY THE PURCHASER DIRECTLY IN ANY
18 OF THE OPERATIONS OF--

19 * * *

20 (C) THE PRODUCING, DELIVERING OR RENDERING OF A PUBLIC
21 UTILITY SERVICE, OR IN CONSTRUCTING, RECONSTRUCTING, REMODELING,
22 REPAIRING OR MAINTAINING THE FACILITIES WHICH ARE DIRECTLY USED
23 IN PRODUCING, DELIVERING OR RENDERING SUCH SERVICE[, WHETHER OR
24 NOT SUCH FACILITIES CONSTITUTE REAL ESTATE: PROVIDED, HOWEVER,
25 "REAL ESTATE" SHALL NOT INCLUDE BUILDINGS, ROADS OR SIMILAR
26 FACILITIES];

27 (D) THE PROCESSING OF PERSONAL PROPERTY AS DEFINED IN CLAUSE
28 (D) OF THIS SECTION.

29 THE EXCLUSIONS PROVIDED IN PARAGRAPHS (A), (B), (C) AND (D)
30 SHALL NOT APPLY TO ANY VEHICLE REQUIRED TO BE REGISTERED UNDER

1 THE VEHICLE CODE, EXCEPT THOSE VEHICLES USED DIRECTLY BY A
2 PUBLIC UTILITY ENGAGED IN BUSINESS AS A COMMON CARRIER[, OR]; TO
3 MAINTENANCE FACILITIES; OR TO MATERIALS [OR], SUPPLIES OR
4 EQUIPMENT TO BE USED OR CONSUMED IN [ANY] THE CONSTRUCTION,
5 RECONSTRUCTION, REMODELING, REPAIR OR MAINTENANCE OF REAL ESTATE
6 OTHER THAN MACHINERY, EQUIPMENT, PARTS OR FOUNDATIONS THEREFOR
7 THAT MAY BE AFFIXED TO SUCH REAL ESTATE.

8 THE EXCLUSIONS PROVIDED IN PARAGRAPHS (A), (B), (C) AND (D)
9 SHALL NOT APPLY TO TANGIBLE PERSONAL PROPERTY OR SERVICES TO BE
10 USED OR CONSUMED IN MANAGERIAL SALES OR OTHER NONOPERATIONAL
11 ACTIVITIES, NOR TO THE PURCHASE OR USE OF TANGIBLE PERSONAL
12 PROPERTY OR SERVICES BY ANY PERSON OTHER THAN THE PERSON
13 DIRECTLY USING THE SAME IN THE OPERATIONS DESCRIBED IN
14 PARAGRAPHS (A), (B), (C) AND (D) HEREIN.

15 THE EXCLUSION PROVIDED IN PARAGRAPH (C) SHALL NOT APPLY TO
16 (I) CONSTRUCTION MATERIALS, SUPPLIES OR EQUIPMENT USED TO
17 CONSTRUCT, RECONSTRUCT, REMODEL, REPAIR OR MAINTAIN FACILITIES
18 NOT USED DIRECTLY BY THE PURCHASER IN THE PRODUCTION, DELIVERING
19 OR RENDITION OF PUBLIC UTILITY SERVICE, [OR] (II) CONSTRUCTION
20 MATERIALS, SUPPLIES OR EQUIPMENT USED TO CONSTRUCT, RECONSTRUCT,
21 REMODEL, REPAIR OR MAINTAIN A BUILDING, ROAD OR SIMILAR
22 STRUCTURE, OR (III) TOOLS AND EQUIPMENT USED BUT NOT INSTALLED
23 IN THE MAINTENANCE OF FACILITIES USED DIRECTLY IN THE
24 PRODUCTION, DELIVERING OR RENDITION OF A PUBLIC UTILITY SERVICE.

25 * * *

26 (O) "USE."

27 * * *

28 (4) THE OBTAINING BY A PURCHASER OF THE SERVICE OF
29 REPAIRING, ALTERING, MENDING, PRESSING, FITTING, DYEING,
30 LAUNDERING, DRYCLEANING OR CLEANING TANGIBLE PERSONAL PROPERTY

1 OTHER THAN WEARING APPAREL OR SHOES OR APPLYING OR INSTALLING
2 TANGIBLE PERSONAL PROPERTY AS A REPAIR OR REPLACEMENT PART OF
3 OTHER PERSONAL PROPERTY OTHER THAN WEARING APPAREL OR SHOES,
4 WHETHER OR NOT THE SERVICES ARE PERFORMED DIRECTLY OR BY ANY
5 MEANS OTHER THAN BY MEANS OF COIN-OPERATED SELF-SERVICE LAUNDRY
6 EQUIPMENT FOR WEARING APPAREL OR HOUSEHOLD GOODS, AND WHETHER OR
7 NOT ANY TANGIBLE PERSONAL PROPERTY IS TRANSFERRED TO THE
8 PURCHASER IN CONJUNCTION THEREWITH, EXCEPT SUCH SERVICES AS ARE
9 OBTAINED IN THE CONSTRUCTION, RECONSTRUCTION, REMODELING, REPAIR
10 OR MAINTENANCE OF REAL ESTATE: PROVIDED, HOWEVER, THAT THIS
11 SUBCLAUSE SHALL NOT BE DEEMED TO IMPOSE TAX UPON SUCH SERVICES
12 IN THE PREPARATION FOR SALE OF NEW ITEMS WHICH ARE EXCLUDED FROM
13 THE TAX UNDER CLAUSE (26) OF SECTION 204, OR UPON DIAPER
14 SERVICE: AND PROVIDED FURTHER, THAT THE TERM "USE" SHALL NOT
15 INCLUDE--

16 * * *

17 (B) THE USE OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY,
18 INCLUDING BUT NOT LIMITED TO MACHINERY AND EQUIPMENT AND PARTS
19 THEREFOR, AND SUPPLIES OR THE OBTAINING OF THE SERVICES
20 DESCRIBED IN SUBCLAUSES (2), (3) AND (4) OF THIS CLAUSE DIRECTLY
21 IN ANY OF THE OPERATIONS OF--

22 * * *

23 (III) THE PRODUCING, DELIVERING OR RENDERING OF A PUBLIC
24 UTILITY SERVICE, OR IN CONSTRUCTING, RECONSTRUCTING, REMODELING,
25 REPAIRING OR MAINTAINING THE FACILITIES WHICH ARE DIRECTLY USED
26 IN PRODUCING, DELIVERING OR RENDERING SUCH SERVICE[, WHETHER OR
27 NOT SUCH FACILITIES CONSTITUTE REAL ESTATE: PROVIDED, HOWEVER,
28 "REAL ESTATE" SHALL NOT INCLUDE BUILDINGS, ROADS OR SIMILAR
29 FACILITIES];

30 (IV) THE PROCESSING OF PERSONAL PROPERTY AS DEFINED IN

1 SUBCLAUSE (D) OF THIS SECTION.

2 THE EXCLUSIONS PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND
3 (IV) SHALL NOT APPLY TO ANY VEHICLE REQUIRED TO BE REGISTERED
4 UNDER THE VEHICLE CODE EXCEPT THOSE VEHICLES DIRECTLY USED BY A
5 PUBLIC UTILITY ENGAGED IN THE BUSINESS AS A COMMON CARRIER [OR];
6 TO MAINTENANCE FACILITIES[,]; OR TO MATERIALS [OR], SUPPLIES OR
7 EQUIPMENT TO BE USED OR CONSUMED IN [ANY] THE CONSTRUCTION,
8 RECONSTRUCTION, REMODELING, REPAIR OR MAINTENANCE OF REAL ESTATE
9 OTHER THAN MACHINERY, EQUIPMENT, PARTS OR FOUNDATIONS THEREFOR
10 THAT MAY BE AFFIXED TO SUCH REAL ESTATE. THE EXCLUSIONS PROVIDED
11 IN SUBPARAGRAPHS (I), (II), (III) AND (IV) SHALL NOT APPLY TO
12 TANGIBLE PERSONAL PROPERTY OR SERVICES TO BE USED OR CONSUMED IN
13 MANAGERIAL SALES OR OTHER NONOPERATIONAL ACTIVITIES, NOR TO THE
14 PURCHASE OR USE OF TANGIBLE PERSONAL PROPERTY OR SERVICES BY ANY
15 PERSON OTHER THAN THE PERSON DIRECTLY USING THE SAME IN THE
16 [AFORESAID] OPERATIONS DESCRIBED IN SUBPARAGRAPHS (I), (II),
17 (III) AND (IV).

18 THE EXCLUSION PROVIDED IN SUBPARAGRAPH (III) SHALL NOT APPLY
19 TO (A) CONSTRUCTION MATERIALS, SUPPLIES OR EQUIPMENT USED TO
20 CONSTRUCT, RECONSTRUCT, REMODEL, REPAIR OR MAINTAIN FACILITIES
21 NOT USED DIRECTLY BY THE PURCHASER IN THE PRODUCTION, DELIVERING
22 OR RENDITION OF PUBLIC UTILITY SERVICE, [OR] (B) CONSTRUCTION
23 MATERIALS, SUPPLIES OR EQUIPMENT USED TO CONSTRUCT, RECONSTRUCT,
24 REMODEL, REPAIR OR MAINTAIN A BUILDING, ROAD OR SIMILAR
25 STRUCTURE, OR (C) TOOLS AND EQUIPMENT USED BUT NOT INSTALLED IN
26 THE MAINTENANCE OF FACILITIES USED DIRECTLY IN THE PRODUCTION,
27 DELIVERING OR RENDITION OF A PUBLIC UTILITY SERVICE.

28 * * *

29 Section ± 2. Section 302 of the act of ~~March 4, 1971 (P.L. 6,~~ <—
30 ~~No. 2), known as the Tax Reform Code of 1971,~~ amended July 1,

1 1985 (P.L.78, No.29), is amended to read:

2 Section 302. Imposition of Tax.--(a) There is hereby
3 imposed a tax to be paid by resident individuals, estates or
4 trusts at the annual rate of two and two-tenths per cent for
5 taxable years up to and including the taxable year commencing on
6 or after January 1, 1982, and at the annual rate of two and
7 forty-five hundredths per cent for the taxable year commencing
8 on or after January 1, 1983, and for the first six months of the
9 taxable year commencing on or after January 1, 1984, and at the
10 annual rate of two and thirty-five hundredths per cent for the
11 second six months of the taxable year commencing on or after
12 January 1, 1984, and for the taxable year commencing on or after
13 January 1, 1985, and at the annual rate of two and two-tenths
14 per cent for the first six months of the taxable year commencing
15 on or after January 1, 1986, and at a rate of two and one-tenth
16 per cent for the second six months of the taxable year
17 commencing on or after January 1, 1986, and for each taxable
18 year thereafter on the privilege of receiving each of the
19 classes of income hereinafter enumerated in section 303.

20 (b) There is hereby imposed a tax to be paid by nonresident
21 individuals, estates or trusts at the annual rate of two and
22 two-tenths per cent for taxable years up to and including the
23 taxable year commencing on or after January 1, 1982, and at the
24 annual rate of two and forty-five hundredths per cent for the
25 taxable year commencing on or after January 1, 1983, and for the
26 first six months of the taxable year commencing on or after
27 January 1, 1984, and at the annual rate of two and thirty-five
28 hundredths per cent for the second six months of the taxable
29 year commencing on or after January 1, 1984, and for the taxable
30 year commencing on or after January 1, 1985, and at the annual

1 rate of two and two-tenth per cent for the first six months of
2 the taxable year commencing on or after January 1, 1986, and at
3 a rate of two and one-tenth per cent of the second six months of
4 the taxable year commencing on or after January 1, 1986, and for
5 each taxable year thereafter on the privilege of receiving each
6 of the classes of income enumerated in section 303 from sources
7 within this Commonwealth.

8 Section ~~2.~~ 3 Section 325(a), (d) and (f) of the act, added <—
9 August 31, 1971 (P.L.362, No.93), are amended to read:

10 Section 325. Declarations of Estimated Tax.--(a) Every
11 resident and nonresident individual shall at the time
12 hereinafter prescribed make a declaration of his estimated tax
13 for the taxable year, containing such information as the
14 department may prescribe by regulations, if his income, other
15 than from compensation on which tax is withheld under this
16 article, can reasonably be expected to exceed [one thousand
17 dollars (\$1,000)] two thousand five hundred dollars (\$2,500).

18 * * *

19 (d) Except as hereinafter provided, the date for filing a
20 declaration of estimated tax shall depend upon when the resident
21 or nonresident individual determines that his income on which no
22 tax has been withheld under this article can reasonably be
23 expected to exceed [one thousand dollars (\$1,000)] two thousand
24 five hundred dollars (\$2,500) in the taxable year, as follows:

25 (1) If the determination is made on or before April 1 of the
26 taxable year, a declaration of estimated tax shall be filed no
27 later than April 15 of the taxable year.

28 (2) If the determination is made after April 1 but before
29 June 2 of the taxable year, the declaration shall be filed no
30 later than June 15 of such year.

(3) If the determination is made after June 1 but before September 2 of the taxable year, the declaration shall be filed no later than September 15 of such year.

(4) If the determination is made after September 1 of the taxable year, the declaration shall be filed no later than January 15 of the year succeeding the taxable year.

* * *

(f) A declaration of estimated tax of an individual having a total estimated tax for the taxable year of [fifty dollars (\$50)] one hundred dollars (\$100) or less may be filed at any time on or before January 15 of the succeeding year under regulations of the department.

* * *

Section 3 4. Section 402 of the act, amended June 29, 1984 (P.L.445, No.94), is amended to read:

<—

Section 402. Imposition of Tax.--Every corporation shall be subject to, and shall pay for the privilege of (i) doing business in this Commonwealth; or (ii) carrying on activities in this Commonwealth; (iii) having capital or property employed or used in this Commonwealth; or (iv) owning property in this Commonwealth, by or in the name of itself, or any person, partnership, association, limited partnership, joint-stock association, or corporation, a State excise tax at the rate of twelve per cent per annum upon each dollar of taxable income of such corporation received by, and accruing to, such corporation during the calendar year 1971 and the first six months of 1972 and at the rate of eleven per cent per annum upon each dollar of taxable income of such corporation received by, and accruing to, such corporation during the second six months of calendar year 1972 through the calendar year 1973 and at the rate of nine and

1 one-half per cent per annum upon each dollar of taxable income
2 of such corporation received by, and accruing to, such
3 corporation during the calendar years 1974, 1975 and 1976 and at
4 the rate of ten and one-half per cent per annum upon each dollar
5 of taxable income of such corporation received by, and accruing
6 to, such corporation during the calendar year 1977 through the
7 calendar year 1984 and at the rate of nine and one-half per cent
8 per annum upon each dollar of taxable income of such corporation
9 received by and accruing to such corporation during the calendar
10 year 1985 through calendar year 1986 and at the rate of eight
11 and one-half per cent per annum upon each dollar of taxable
12 income of such corporation received by and accruing to such
13 corporation during the calendar year 1987 and each calendar year
14 thereafter, except where a corporation reports to the Federal
15 Government on the basis of a fiscal year, and has certified such
16 fact to the department as required by section 403 of this
17 article, in which case, such tax, at the rate of twelve per
18 cent, shall be levied, collected, and paid upon all taxable
19 income received by, and accruing to, such corporation during the
20 first six months of the fiscal year commencing in the calendar
21 year 1972 and at the rate of eleven per cent, shall be levied,
22 collected, and paid upon all taxable income received by, and
23 accruing to, such corporation during the second six months of
24 the fiscal year commencing in the calendar year 1972 and during
25 the fiscal year commencing in the calendar year 1973 and at the
26 rate of nine and one-half per cent, shall be levied, collected,
27 and paid upon all taxable income received by, and accruing to,
28 such corporation during the fiscal year commencing in the
29 calendar years 1974, 1975 and 1976 and at the rate of ten and
30 one-half per cent, shall be levied, collected, and paid upon all

1 taxable income received by, and accruing to, such corporation
2 during the fiscal year commencing in the calendar year 1977
3 through the fiscal year commencing in 1984 and at the rate of
4 nine and one-half per cent, shall be levied, collected, and paid
5 upon all taxable income received by and accruing to such
6 corporation during the fiscal year commencing in 1985 through
7 fiscal year 1986 and at the rate of eight and one-half per cent
8 per annum upon each dollar of taxable income of such corporation
9 received by and accruing to such corporation during the fiscal
10 year 1987 and during each fiscal year thereafter. No penalty
11 prescribed by subsection (e) of section 3003 shall be assessed
12 against a corporation for the additional tax which may be due as
13 a result of the increase in tax rate from nine and one-half per
14 cent to ten and one-half per cent imposed retroactively by this
15 section for the calendar year 1977 or for the fiscal year
16 commencing in 1977.

17 Section 4 5. The definition of "capital stock value" in <—
18 section 601(a) of the act, amended December 23, 1983 (P.L.360,
19 No.89), is amended to read:

20 Section 601. Definitions and Reports.--(a) The following
21 words, terms and phrases when used in this Article VI shall have
22 the meaning ascribed to them in this section, except where the
23 context clearly indicates a different meaning:

24 * * *

25 "Capital stock value." The amount computed pursuant to the
26 following formula: the product of one-half times the sum of the
27 average net income capitalized at the rate of nine and one-half
28 per cent plus seventy-five per cent of net worth, from which
29 product shall be subtracted fifty thousand dollars (\$50,000),
30 the algebraic equivalent of which is

1 TRANSFERS BETWEEN NONPROFIT INDUSTRIAL DEVELOPMENT AGENCIES AND
2 INDUSTRIAL CORPORATIONS PURCHASING FROM THEM, ANY TRANSFERS TO
3 OR FROM NONPROFIT INDUSTRIAL DEVELOPMENT AGENCIES, TRANSFERS TO
4 A NATURE CONSERVANCY OR SIMILAR ORGANIZATION WHICH POSSESSES A
5 TAX-EXEMPT STATUS PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL
6 REVENUE CODE, AND WHICH HAS AS ITS PRIMARY PURPOSE THE
7 PRESERVATION OF LAND FOR HISTORIC, RECREATIONAL, SCENIC,
8 AGRICULTURAL OR OPEN SPACE OPPORTUNITIES, AND TRANSFERS BETWEEN
9 HUSBAND AND WIFE, TRANSFERS BETWEEN PERSONS WHO WERE PREVIOUSLY
10 HUSBAND AND WIFE BUT WHO HAVE SINCE BEEN DIVORCED PROVIDED SUCH
11 TRANSFER IS MADE WITHIN THREE MONTHS OF THE DATE OF THE GRANTING
12 OF THE FINAL DECREE IN DIVORCE, OR THE DECREE OF EQUITABLE
13 DISTRIBUTION OF MARITAL PROPERTY, WHICHEVER IS LATER, AND THE
14 PROPERTY OR INTEREST THEREIN SUBJECT TO SUCH TRANSFER WAS
15 ACQUIRED BY THE HUSBAND AND WIFE OR HUSBAND OR WIFE PRIOR TO THE
16 GRANTING OF THE FINAL DECREE IN DIVORCE, TRANSFERS BETWEEN
17 PARENT AND CHILD OR THE SPOUSE OF SUCH A CHILD OR BETWEEN PARENT
18 AND TRUSTEE FOR THE BENEFIT OF A CHILD OR THE SPOUSE OF SUCH
19 CHILD, TRANSFERS BETWEEN A GRANDPARENT AND GRANDCHILD OR THE
20 SPOUSE OF SUCH GRANDCHILD, BY AND BETWEEN A PRINCIPAL AND STRAW
21 PARTY FOR THE PURPOSE OF PLACING A MORTGAGE OR GROUND RENT UPON
22 THE PREMISES, CORRECTIONAL DEEDS WITHOUT CONSIDERATION,
23 TRANSFERS TO THE UNITED STATES, THE COMMONWEALTH OF
24 PENNSYLVANIA, OR TO ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR
25 POLITICAL SUBDIVISIONS, BY GIFT, DEDICATION OR DEED IN LIEU OF
26 CONDEMNATION, OR DEED OF CONFIRMATION IN CONNECTION WITH
27 CONDEMNATION PROCEEDINGS, OR RECONVEYANCE BY THE CONDEMNING BODY
28 OF THE PROPERTY CONDEMNED TO THE OWNER OF RECORD AT THE TIME OF
29 CONDEMNATION WHICH RECONVEYANCE MAY INCLUDE PROPERTY LINE
30 ADJUSTMENTS PROVIDED SAID RECONVEYANCE IS MADE WITHIN ONE YEAR

1 FROM THE DATE OF CONDEMNATION, LEASES, A CONVEYANCE TO A TRUSTEE
2 UNDER A RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF
3 HOLDING TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE
4 TIME OF THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER
5 AND REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-
6 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER BY THE
7 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER
8 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED
9 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART
10 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY
11 UNOCCUPIED RESIDENTIAL PREMISES OR ANY TRANSFER FROM A MORTGAGOR
12 TO THE MORTGAGEE WHETHER PURSUANT TO A FORECLOSURE OR IN LIEU
13 THEREOF, OR CONVEYANCES TO MUNICIPALITIES, TOWNSHIPS, SCHOOL
14 DISTRICTS AND COUNTIES PURSUANT TO ACQUISITION BY
15 MUNICIPALITIES, TOWNSHIPS, SCHOOL DISTRICTS AND COUNTIES OF TAX
16 DELINQUENT PROPERTIES AT SHERIFF SALE OR TAX CLAIM BUREAU, ANY
17 TRANSFER OF A PUBLICLY OWNED, MULTIPURPOSE STADIUM HAVING A
18 SEATING CAPACITY OF AT LEAST FIFTY THOUSAND WHERE SUCH TRANSFER
19 OCCURS BEFORE JANUARY 1, 1986, OR ANY TRANSFER BETWEEN RELIGIOUS
20 ORGANIZATIONS OR OTHER BODIES OR PERSONS HOLDING TITLE TO REAL
21 ESTATE FOR A RELIGIOUS ORGANIZATION IF SUCH REAL ESTATE IS NOT
22 BEING OR HAS NOT BEEN USED BY SUCH TRANSFEROR FOR COMMERCIAL
23 PURPOSES, OR A TRANSFER WITHIN A FAMILY FROM A SOLE PROPRIETOR
24 FAMILY MEMBER TO A FAMILY FARM CORPORATION OR IN ANY SHERIFF
25 SALE INSTITUTED BY A MORTGAGEE IN WHICH THE PURCHASER OF SAID
26 SHERIFF SALE IS THE MORTGAGEE WHO INSTITUTED SAID SALE.] DEEDS
27 OF TRUST OR OTHER INSTRUMENTS OF LIKE CHARACTER GIVEN AS
28 SECURITY FOR A DEBT AND DEEDS OF RELEASE THEREOF TO THE DEBTOR,
29 LAND CONTRACTS WHEREBY THE LEGAL TITLE DOES NOT PASS TO THE
30 GRANTEE UNTIL THE TOTAL CONSIDERATION SPECIFIED IN THE CONTRACT

1 HAS BEEN PAID OR ANY CANCELLATION THEREOF UNLESS THE
2 CONSIDERATION IS PAYABLE OVER A PERIOD OF TIME EXCEEDING THIRTY
3 YEARS OR INSTRUMENTS WHICH SOLELY GRANT, VEST OR CONFIRM A
4 PUBLIC UTILITY EASEMENT. "DOCUMENT" SHALL ALSO INCLUDE A
5 DECLARATION OF ACQUISITION REQUIRED TO BE PRESENTED FOR
6 RECORDING UNDER SECTION 1106-C OF THIS ARTICLE.

7 "FAMILY FARM CORPORATION." A [PENNSYLVANIA] CORPORATION OF
8 WHICH AT LEAST SEVENTY-FIVE PER CENT OF [THE] ITS ASSETS [OF
9 WHICH] ARE DEVOTED TO THE BUSINESS OF AGRICULTURE[, WHICH
10 BUSINESS, FOR THE PURPOSES OF THIS DEFINITION,] AND AT LEAST
11 SEVENTY-FIVE PER CENT OF EACH CLASS OF STOCK OF THE CORPORATION
12 IS CONTINUOUSLY OWNED BY MEMBERS OF THE SAME FAMILY. THE
13 BUSINESS OF AGRICULTURE SHALL NOT BE DEEMED TO INCLUDE:

14 (1) RECREATIONAL ACTIVITIES SUCH AS, BUT NOT LIMITED TO,
15 HUNTING, FISHING, CAMPING, SKIING, SHOW COMPETITION OR RACING;

16 (2) THE RAISING, BREEDING OR TRAINING OF GAME ANIMALS OR
17 GAME BIRDS, FISH, CATS, DOGS OR PETS[,] OR ANIMALS INTENDED FOR
18 USE IN SPORTING OR RECREATIONAL ACTIVITIES;

19 (3) FUR FARMING;

20 (4) STOCKYARD AND SLAUGHTERHOUSE OPERATIONS; OR

21 (5) MANUFACTURING OR PROCESSING OPERATIONS OF ANY KIND[:

22 PROVIDED, HOWEVER, THAT AT LEAST SEVENTY-FIVE PER CENT OF ALL OF
23 THE STOCK OF THE CORPORATION MUST BE OWNED BY MEMBERS OF THE
24 SAME FAMILY].

25 "MEMBERS OF THE SAME FAMILY." ANY INDIVIDUAL, SUCH
26 INDIVIDUAL'S BROTHERS AND SISTERS, THE BROTHERS AND SISTERS OF
27 SUCH INDIVIDUAL'S PARENTS AND GRANDPARENTS, THE ANCESTORS AND
28 LINEAL DESCENDENTS OF ANY OF THE FOREGOING [AND], A SPOUSE OF
29 ANY OF THE FOREGOING, AND THE ESTATE OF ANY OF THE FOREGOING.
30 INDIVIDUALS RELATED BY THE HALF BLOOD OR LEGAL ADOPTION SHALL BE

1 TREATED AS IF THEY WERE RELATED BY THE WHOLE BLOOD.

2 "PERSON." EVERY NATURAL PERSON, ASSOCIATION, OR CORPORATION.
3 WHENEVER USED IN ANY CLAUSE PRESCRIBING AND IMPOSING A FINE OR
4 IMPRISONMENT, OR BOTH, THE TERM "PERSON" AS APPLIED TO
5 ASSOCIATIONS, SHALL [MEAN] INCLUDE THE RESPONSIBLE MEMBERS OR
6 GENERAL PARTNERS [OR MEMBERS] THEREOF, AND AS APPLIED TO
7 CORPORATIONS, THE OFFICERS THEREOF.

8 "REAL ESTATE."

9 (1) ANY LANDS, TENEMENTS OR HEREDITAMENTS WITHIN THIS
10 COMMONWEALTH, INCLUDING WITHOUT LIMITATION BUILDINGS,
11 STRUCTURES, FIXTURES, MINES, MINERALS, OIL, GAS, QUARRIES,
12 SPACES WITH OR WITHOUT UPPER OR LOWER BOUNDARIES, TREES, AND
13 OTHER IMPROVEMENTS, IMMOVABLES OR INTERESTS WHICH BY CUSTOM,
14 USAGE OR LAW PASS WITH A CONVEYANCE OF LAND, BUT EXCLUDING
15 PERMANENTLY ATTACHED MACHINERY AND EQUIPMENT IN AN INDUSTRIAL
16 PLANT.

17 (2) A CONDOMINIUM UNIT.

18 (3) A TENANT-STOCKHOLDER'S INTEREST IN A COOPERATIVE HOUSING
19 CORPORATION, TRUST OR ASSOCIATION UNDER A PROPRIETARY LEASE OR
20 OCCUPANCY AGREEMENT.

21 "REAL ESTATE COMPANY." A CORPORATION OR ASSOCIATION WHICH IS
22 PRIMARILY ENGAGED IN THE BUSINESS OF HOLDING, SELLING OR LEASING
23 REAL ESTATE NINETY PER CENT OR MORE OF THE OWNERSHIP INTEREST IN
24 WHICH IS HELD BY THIRTY-FIVE OR FEWER PERSONS AND WHICH:

25 (1) DERIVES SIXTY PER CENT OR MORE OF ITS ANNUAL GROSS
26 RECEIPTS FROM THE OWNERSHIP OR DISPOSITION OF REAL ESTATE; OR

27 (2) HOLDS REAL ESTATE, THE VALUE OF WHICH COMPRISES NINETY
28 PER CENT OR MORE OF THE VALUE OF ITS ENTIRE TANGIBLE ASSET
29 HOLDINGS EXCLUSIVE OF TANGIBLE ASSETS WHICH ARE FREELY
30 TRANSFERABLE AND ACTIVELY TRADED ON AN ESTABLISHED MARKET.

1 "TITLE TO REAL ESTATE."

2 (1) ANY INTEREST IN REAL ESTATE WHICH ENDURES FOR A PERIOD
3 OF TIME THE TERMINATION OF WHICH IS NOT FIXED OR ASCERTAINED BY
4 A SPECIFIC NUMBER OF YEARS, INCLUDING WITHOUT LIMITATION AN
5 ESTATE IN FEE SIMPLE, LIFE ESTATE, OR PERPETUAL LEASEHOLD; OR

6 (2) ANY INTEREST IN REAL ESTATE ENDURING FOR A FIXED PERIOD
7 OF YEARS BUT WHICH, EITHER BY REASON OF THE LENGTH OF THE TERM
8 OR THE GRANT OF A RIGHT TO EXTEND THE TERM BY RENEWAL OR
9 OTHERWISE, CONSISTS OF A GROUP OF RIGHTS APPROXIMATING THOSE OF
10 AN ESTATE IN FEE SIMPLE, LIFE ESTATE OR PERPETUAL LEASEHOLD,
11 INCLUDING WITHOUT LIMITATION A LEASEHOLD INTEREST OR POSSESSORY
12 INTEREST UNDER A LEASE OR OCCUPANCY AGREEMENT FOR A TERM OF
13 THIRTY YEARS OR MORE OR A LEASEHOLD INTEREST OR POSSESSORY
14 INTEREST IN REAL ESTATE IN WHICH THE LESSEE HAS EQUITY.

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

17 "VALUE."

18 (1) IN THE CASE OF ANY [DOCUMENT GRANTING, BARGAINING,
19 SELLING, OR OTHERWISE CONVEYING ANY LAND, TENEMENT OR
20 HEREDITAMENT, OR INTEREST THEREIN] BONA FIDE SALE OF REAL ESTATE
21 AT ARM'S LENGTH FOR ACTUAL MONETARY WORTH, THE AMOUNT OF THE
22 ACTUAL CONSIDERATION THEREFOR, PAID OR TO BE PAID, INCLUDING
23 LIENS OR OTHER ENCUMBRANCES THEREON EXISTING BEFORE THE TRANSFER
24 AND NOT REMOVED THEREBY, WHETHER OR NOT THE UNDERLYING
25 INDEBTEDNESS IS ASSUMED, AND GROUND RENTS, OR A COMMENSURATE
26 PART [OF THE LIENS OR OTHER ENCUMBRANCES THEREON AND GROUND
27 RENTS] THEREOF WHERE SUCH LIENS OR OTHER ENCUMBRANCES AND GROUND
28 RENTS ALSO ENCUMBER OR ARE CHARGED AGAINST OTHER [LANDS,
29 TENEMENTS OR HEREDITAMENTS] REAL ESTATE: PROVIDED, THAT WHERE
30 SUCH DOCUMENTS SHALL SET FORTH A [SMALL OR] NOMINAL

1 CONSIDERATION, THE "VALUE" THEREOF SHALL BE DETERMINED FROM THE
2 PRICE SET FORTH IN OR ACTUAL CONSIDERATION FOR THE CONTRACT OF
3 SALE[, OR,];

4 (2) IN THE CASE OF A GIFT, [OR ANY OTHER DOCUMENT WITHOUT
5 CONSIDERATION, FROM] SALE BY EXECUTION UPON A JUDGMENT OR UPON
6 THE FORECLOSURE OF A MORTGAGE BY A JUDICIAL OFFICER,
7 TRANSACTIONS WITHOUT CONSIDERATION OR FOR CONSIDERATION LESS
8 THAN THE ACTUAL MONETARY WORTH [OF THE PROPERTY GRANTED,
9 BARGAINED, SOLD, OR OTHERWISE CONVEYED, WHICH, IN EITHER EVENT,
10 SHALL NOT BE LESS THAN THE AMOUNT OF THE HIGHEST ASSESSMENT OF
11 SUCH LANDS, TENEMENTS OR HEREDITAMENTS FOR LOCAL TAX PURPOSES.]
12 OF THE REAL ESTATE, A TAXABLE LEASE, AN OCCUPANCY AGREEMENT, A
13 LEASEHOLD OR POSSESSORY INTEREST, ANY EXCHANGE OF PROPERTIES, OR
14 THE REAL ESTATE OF AN ACQUIRED COMPANY, THE ACTUAL MONETARY
15 WORTH OF THE REAL ESTATE DETERMINED BY ADJUSTING THE ASSESSED
16 VALUE OF THE REAL ESTATE FOR LOCAL REAL ESTATE TAX PURPOSES FOR
17 THE COMMON LEVEL RATIO OF ASSESSED VALUES TO MARKET VALUES OF
18 THE TAXING DISTRICT AS ESTABLISHED BY THE STATE TAX EQUALIZATION
19 BOARD, OR A COMMENSURATE PART OF THE ASSESSMENT WHERE THE
20 ASSESSMENT INCLUDES OTHER REAL ESTATE;

21 (3) IN THE CASE OF AN EASEMENT OR OTHER INTEREST IN REAL
22 ESTATE THE VALUE OF WHICH IS NOT DETERMINABLE UNDER CLAUSE (1)
23 OR (2), THE ACTUAL MONETARY WORTH OF SUCH INTEREST; OR

24 (4) THE ACTUAL CONSIDERATION FOR OR ACTUAL MONETARY WORTH OF
25 ANY EXECUTORY AGREEMENT FOR THE CONSTRUCTION OF BUILDINGS,
26 STRUCTURES OR OTHER PERMANENT IMPROVEMENTS TO REAL ESTATE
27 BETWEEN THE GRANTOR AND OTHER PERSONS EXISTING BEFORE THE
28 TRANSFER AND NOT REMOVED THEREBY OR BETWEEN THE GRANTOR, THE
29 AGENT OR PRINCIPLE OF THE GRANTOR OR A RELATED CORPORATION,
30 ASSOCIATION OR PARTNERSHIP AND THE GRANTEE EXISTING BEFORE OR

1 EFFECTIVE WITH THE TRANSFER.

2 SECTION 7. SECTION 1102-C OF THE ACT, ADDED MAY 5, 1981
3 (P.L.36, NO.14), IS AMENDED TO READ:

4 SECTION 1102-C. IMPOSITION OF TAX.--EVERY PERSON WHO MAKES,
5 EXECUTES, DELIVERS, ACCEPTS OR PRESENTS FOR RECORDING ANY
6 DOCUMENT OR IN WHOSE BEHALF ANY DOCUMENT IS MADE, EXECUTED,
7 DELIVERED, ACCEPTED OR PRESENTED FOR RECORDING, SHALL BE SUBJECT
8 TO PAY FOR AND IN RESPECT TO THE TRANSACTION OR ANY PART
9 THEREOF, OR FOR OR IN RESPECT OF THE VELLUM PARCHMENT OR PAPER
10 UPON WHICH SUCH DOCUMENT IS WRITTEN OR PRINTED, A STATE TAX AT
11 THE RATE OF ONE PER CENT OF THE VALUE OF THE [PROPERTY] REAL
12 ESTATE REPRESENTED BY SUCH DOCUMENT, WHICH STATE TAX SHALL BE
13 PAYABLE AT THE EARLIER OF THE TIME THE DOCUMENT IS PRESENTED FOR
14 RECORDING OR WITHIN THIRTY DAYS OF [MAKING, EXECUTION,
15 DELIVERY,] ACCEPTANCE [OR PRESENTING FOR RECORDING] OF SUCH
16 DOCUMENT OR WITHIN THIRTY DAYS OF BECOMING AN ACQUIRED COMPANY.

17 SECTION 8. SECTION 1102-C.1 OF THE ACT IS REPEALED.

18 SECTION 9. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

19 SECTION 1102-C.2. EXEMPT PARTIES.--THE UNITED STATES, THE
20 COMMONWEALTH, OR ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR
21 POLITICAL SUBDIVISIONS SHALL BE EXEMPT FROM PAYMENT OF THE TAX
22 IMPOSED BY THIS ARTICLE. THE EXEMPTION OF SUCH GOVERNMENTAL
23 BODIES SHALL NOT, HOWEVER, RELIEVE ANY OTHER PARTY TO A
24 TRANSACTION FROM LIABILITY FOR THE TAX.

25 SECTION 1102-C.3. EXCLUDED TRANSACTIONS.--THE TAX IMPOSED BY
26 SECTION 1102-C SHALL NOT BE IMPOSED UPON:

27 (1) A TRANSFER TO THE COMMONWEALTH, OR TO ANY OF ITS
28 INSTRUMENTALITIES, AGENCIES OR POLITICAL SUBDIVISIONS, BY GIFT,
29 DEDICATION OR DEED IN LIEU OF CONDEMNATION OR DEED OF
30 CONFIRMATION IN CONNECTION WITH CONDEMNATION PROCEEDINGS, OR A

1 RECONVEYANCE BY THE CONDEMNING BODY OF THE PROPERTY CONDEMNED TO
2 THE OWNER OF RECORD AT THE TIME OF CONDEMNATION WHICH
3 RECONVEYANCE MAY INCLUDE PROPERTY LINE ADJUSTMENTS PROVIDED SAID
4 RECONVEYANCE IS MADE WITHIN ONE YEAR FROM THE DATE OF
5 CONDEMNATION.

6 (2) A DOCUMENT WHICH THE COMMONWEALTH IS PROHIBITED FROM
7 TAXING UNDER THE CONSTITUTION OR STATUTES OF THE UNITED STATES.

8 (3) A CONVEYANCE TO A MUNICIPALITY, TOWNSHIP, SCHOOL
9 DISTRICT OR COUNTY PURSUANT TO ACQUISITION BY THE MUNICIPALITY,
10 TOWNSHIP, SCHOOL DISTRICT OR COUNTY OF A TAX DELINQUENT PROPERTY
11 AT SHERIFF SALE OR TAX CLAIM BUREAU SALE.

12 (4) A TRANSFER FOR NO OR NOMINAL ACTUAL CONSIDERATION WHICH
13 CORRECTS OR CONFIRMS A TRANSFER PREVIOUSLY RECORDED, BUT WHICH
14 DOES NOT EXTEND OR LIMIT EXISTING RECORD LEGAL TITLE OR
15 INTEREST.

16 (5) A TRANSFER OF DIVISION IN KIND FOR NO OR NOMINAL ACTUAL
17 CONSIDERATION OF PROPERTY PASSED BY TESTATE OR INTESTATE
18 SUCCESSION AND HELD BY COTENANTS; HOWEVER, IF ANY OF THE PARTIES
19 TAKE SHARES GREATER IN VALUE THAN THEIR UNDIVIDED INTEREST, TAX
20 IS DUE ON THE EXCESS.

21 (6) A TRANSFER BETWEEN HUSBAND AND WIFE, BETWEEN PERSONS WHO
22 WERE PREVIOUSLY HUSBAND AND WIFE WHO HAVE SINCE BEEN DIVORCED,
23 PROVIDED THE PROPERTY OR INTEREST THEREIN SUBJECT TO SUCH
24 TRANSFER WAS ACQUIRED BY THE HUSBAND AND WIFE OR HUSBAND OR WIFE
25 PRIOR TO THE GRANTING OF THE FINAL DECREE IN DIVORCE, BETWEEN
26 PARENT AND CHILD OR THE SPOUSE OF SUCH CHILD, BETWEEN BROTHER OR
27 SISTER OR SPOUSE OF A BROTHER OR SISTER AND BROTHER OR SISTER OR
28 THE SPOUSE OF A BROTHER OR SISTER, AND BETWEEN A GRANDPARENT AND
29 GRANDCHILD OR THE SPOUSE OF SUCH GRANDCHILD, EXCEPT THAT A
30 SUBSEQUENT TRANSFER BY THE GRANTEE WITHIN ONE YEAR SHALL BE

1 SUBJECT TO TAX AS IF THE GRANTOR WERE MAKING SUCH TRANSFER.

2 (7) A TRANSFER FOR NO OR NOMINAL ACTUAL CONSIDERATION OF
3 PROPERTY PASSING BY TESTATE OR INTESTATE SUCCESSION FROM A
4 PERSONAL REPRESENTATIVE OF A DECEDENT TO THE DECEDENT'S DEVISEE
5 OR HEIR.

6 (8) A TRANSFER FOR NO OR NOMINAL ACTUAL CONSIDERATION TO A
7 TRUSTEE OF AN ORDINARY TRUST WHERE THE TRANSFER OF THE SAME
8 PROPERTY WOULD BE EXEMPT IF THE TRANSFER WAS MADE DIRECTLY FROM
9 THE GRANTOR TO ALL OF THE POSSIBLE BENEFICIARIES, WHETHER OR NOT
10 SUCH BENEFICIARIES ARE CONTINGENT OR SPECIFICALLY NAMED. NO SUCH
11 EXEMPTION SHALL BE GRANTED UNLESS THE RECORDER OF DEEDS IS
12 PRESENTED WITH A COPY OF THE TRUST INSTRUMENT THAT CLEARLY
13 IDENTIFIES THE GRANTOR AND ALL POSSIBLE BENEFICIARIES.

14 (9) A TRANSFER FOR NO OR NOMINAL ACTUAL CONSIDERATION FROM A
15 TRUSTEE TO A BENEFICIARY OF AN ORDINARY TRUST.

16 (10) A TRANSFER FOR NO OR NOMINAL ACTUAL CONSIDERATION FROM
17 TRUSTEE TO SUCCESSOR TRUSTEE.

18 (11) A TRANSFER:

19 (I) FOR NO OR NOMINAL ACTUAL CONSIDERATION BETWEEN PRINCIPAL
20 AND AGENT OR STRAW PARTY; OR

21 (II) FROM OR TO AN AGENT OR STRAW PARTY WHERE, IF THE AGENT
22 OR STRAW PARTY WERE HIS PRINCIPAL, NO TAX WOULD BE IMPOSED UNDER
23 THIS ARTICLE.

24 WHERE THE DOCUMENT BY WHICH TITLE IS ACQUIRED BY A GRANTEE OR
25 STATEMENT OF VALUE FAILS TO SET FORTH THAT THE PROPERTY WAS
26 ACQUIRED BY THE GRANTEE FROM, OR FOR THE BENEFIT OF, HIS
27 PRINCIPAL, THERE IS A REBUTTABLE PRESUMPTION THAT THE PROPERTY
28 IS THE PROPERTY OF THE GRANTEE IN HIS INDIVIDUAL CAPACITY IF THE
29 GRANTEE CLAIMS AN EXEMPTION FROM TAXATION UNDER THIS CLAUSE.

30 (12) A TRANSFER MADE PURSUANT TO THE STATUTORY MERGER OR

CONSOLIDATION OF A CORPORATION OR STATUTORY DIVISION OF A
NONPROFIT CORPORATION, EXCEPT WHERE THE DEPARTMENT REASONABLY
DETERMINES THAT THE PRIMARY INTENT FOR SUCH MERGER,
CONSOLIDATION OR DIVISION IS AVOIDANCE OF THE TAX IMPOSED BY
THIS ARTICLE.

(13) A TRANSFER FROM A CORPORATION OR ASSOCIATION OF REAL
ESTATE HELD OF RECORD IN THE NAME OF THE CORPORATION OR
ASSOCIATION WHERE THE GRANTEE OWNS STOCK OF THE CORPORATION OR
AN INTEREST IN THE ASSOCIATION IN THE SAME PROPORTION AS HIS
INTEREST IN OR OWNERSHIP OF THE REAL ESTATE BEING CONVEYED AND
WHERE THE STOCK OF THE CORPORATION OR THE INTEREST IN THE
ASSOCIATION HAS BEEN HELD BY THE GRANTEE FOR MORE THAN TWO
YEARS.

(14) A TRANSFER FROM A NONPROFIT INDUSTRIAL DEVELOPMENT
AGENCY OR AUTHORITY TO A GRANTEE OF PROPERTY CONVEYED BY THE
GRANTEE TO THAT AGENCY OR AUTHORITY AS SECURITY FOR A DEBT OF
THE GRANTEE OR A TRANSFER TO A NONPROFIT INDUSTRIAL DEVELOPMENT
AGENCY OR AUTHORITY.

(15) A TRANSFER FROM A NONPROFIT INDUSTRIAL DEVELOPMENT
AGENCY OR AUTHORITY TO A GRANTEE PURCHASING DIRECTLY FROM IT,
BUT ONLY IF:

(I) THE GRANTEE SHALL DIRECTLY USE SUCH REAL ESTATE FOR THE
PRIMARY PURPOSE OF MANUFACTURING, FABRICATING, COMPOUNDING,
PROCESSING, PUBLISHING, RESEARCH AND DEVELOPMENT,
TRANSPORTATION, ENERGY CONVERSION, ENERGY PRODUCTION, POLLUTION
CONTROL, WAREHOUSING OR AGRICULTURE; AND

(II) THE AGENCY OR AUTHORITY HAS THE FULL OWNERSHIP INTEREST
IN THE REAL ESTATE TRANSFERRED.

(16) A TRANSFER BY A MORTGAGOR TO THE HOLDER OF A BONA FIDE
MORTGAGE IN DEFAULT IN LIEU OF A FORECLOSURE OR A TRANSFER

PURSUANT TO A JUDICIAL SALE IN WHICH THE SUCCESSFUL BIDDER IS
THE BONA FIDE HOLDER OF A MORTGAGE, UNLESS THE HOLDER ASSIGNS
THE BID TO ANOTHER PERSON.

(17) ANY TRANSFER BETWEEN RELIGIOUS ORGANIZATIONS OR OTHER
BODIES OR PERSONS HOLDING TITLE FOR A RELIGIOUS ORGANIZATION IF
SUCH REAL ESTATE IS NOT BEING OR HAS NOT BEEN USED BY SUCH
TRANSFEROR FOR COMMERCIAL PURPOSES.

(18) A TRANSFER TO A CONSERVANCY WHICH POSSESSES A TAX
EXEMPT STATUS PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL
REVENUE CODE OF 1954, (68A STAT. 3, 26 U.S.C. § 501(C)(3)) AND
WHICH HAS AS ITS PRIMARY PURPOSE PRESERVATION OF LAND FOR
HISTORIC, RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN SPACE
OPPORTUNITIES.

(19) A TRANSFER OF REAL ESTATE DEVOTED TO THE BUSINESS OF
AGRICULTURE TO A FAMILY FARM CORPORATION BY A MEMBER OF THE SAME
FAMILY WHICH DIRECTLY OWNS AT LEAST SEVENTY-FIVE PER CENT OF
EACH CLASS OF THE STOCK THEREOF.

(20) A TRANSFER BETWEEN MEMBERS OF THE SAME FAMILY OF AN
OWNERSHIP INTEREST IN A REAL ESTATE COMPANY OR FAMILY FARM
CORPORATION.

(21) A TRANSACTION WHEREIN THE TAX DUE IS ONE DOLLAR (\$1) OR
LESS.

(22) LEASES FOR THE PRODUCTION OR EXTRACTION OF COAL, OIL,
NATURAL GAS OR MINERALS AND ASSIGNMENTS THEREOF.

IN ORDER TO EXERCISE ANY EXCLUSION PROVIDED IN THIS SECTION, THE
TRUE, FULL AND COMPLETE VALUE OF THE TRANSFER SHALL BE SHOWN ON
THE STATEMENT OF VALUE.

SECTION 1102-C.4. DOCUMENTS RELATING TO ASSOCIATIONS OR
CORPORATIONS AND MEMBERS, PARTNERS, STOCKHOLDERS OR SHAREHOLDERS
THEREOF.--EXCEPT AS OTHERWISE PROVIDED IN SECTION 1102-C.3,

DOCUMENTS WHICH MAKE, CONFIRM OR EVIDENCE ANY TRANSFER OR DEMISE
OF TITLE TO REAL ESTATE BETWEEN ASSOCIATIONS OR CORPORATIONS AND
THE MEMBERS, PARTNERS, SHAREHOLDERS OR STOCKHOLDERS THEREOF ARE
FULLY TAXABLE. FOR THE PURPOSES OF THIS ARTICLE, CORPORATIONS
AND ASSOCIATIONS ARE ENTITIES SEPARATE FROM THEIR MEMBERS,
PARTNERS, STOCKHOLDERS OR SHAREHOLDERS.

SECTION 1102-C.5. ACQUIRED COMPANY.--(A) A REAL ESTATE
COMPANY IS AN ACQUIRED COMPANY UPON A CHANGE IN THE OWNERSHIP
INTEREST IN THE COMPANY, HOWEVER EFFECTED, IF THE CHANGE:

(1) DOES NOT AFFECT THE CONTINUITY OF THE COMPANY; AND

(2) OF ITSELF OR TOGETHER WITH PRIOR CHANGES HAS THE EFFECT
OF TRANSFERRING, DIRECTLY OR INDIRECTLY, NINETY PER CENT OR MORE
OF THE TOTAL OWNERSHIP INTEREST IN THE COMPANY WITHIN A PERIOD
OF THREE YEARS.

(B) WITH RESPECT TO REAL ESTATE ACQUIRED AFTER FEBRUARY 16,
1986, A FAMILY FARM CORPORATION IS AN ACQUIRED COMPANY WHEN,
BECAUSE OF VOLUNTARY OR INVOLUNTARY DISSOLUTION, IT CEASES TO BE
A FAMILY FARM CORPORATION OR WHEN, BECAUSE OF ISSUANCE OR
TRANSFER OF STOCK OR BECAUSE OF ACQUISITION OR TRANSFER OF
ASSETS THAT ARE DEVOTED TO THE BUSINESS OF AGRICULTURE, IT FAILS
TO MEET THE MINIMUM REQUIREMENTS OF A FAMILY FARM CORPORATION
UNDER THIS ACT.

(C) WITHIN THIRTY DAYS AFTER BECOMING AN ACQUIRED COMPANY,
THE COMPANY SHALL PRESENT A DECLARATION OF ACQUISITION WITH THE
RECORDER OF EACH COUNTY IN WHICH IT HOLDS REAL ESTATE FOR THE
AFFIXATION OF DOCUMENTARY STAMPS AND RECORDING. SUCH DECLARATION
SHALL SET FORTH THE VALUE OF REAL ESTATE HOLDINGS OF THE
ACQUIRED COMPANY IN SUCH COUNTY.

SECTION 10. SECTION 1103-C OF THE ACT, ADDED MAY 5, 1981
(P.L.36, NO.14), IS AMENDED TO READ:

SECTION 1103-C. [TRANSFER BY BROKER] CREDITS AGAINST TAX.--

(A) WHERE THERE IS A TRANSFER OF A RESIDENTIAL PROPERTY BY A LICENSED REAL ESTATE BROKER WHICH PROPERTY WAS TRANSFERRED TO HIM WITHIN THE PRECEDING YEAR AS [PART OF THE] CONSIDERATION FOR THE PURCHASE OF OTHER RESIDENTIAL PROPERTY, A CREDIT FOR THE AMOUNT OF THE TAX PAID AT THE TIME OF THE TRANSFER TO HIM SHALL BE GIVEN TO HIM TOWARD THE AMOUNT OF THE TAX DUE UPON THE TRANSFER. [IF THE TAX DUE UPON THE TRANSFER FROM THE LICENSED REAL ESTATE BROKER IS GREATER THAN THE CREDIT GIVEN FOR THE PRIOR TRANSFER, THE DIFFERENCE SHALL BE PAID, AND IF THE CREDIT ALLOWED IS GREATER THAN THE AMOUNT OF THE TAX DUE, NO REFUND SHALL BE ALLOWED.]

(B) WHERE THERE IS A TRANSFER BY A BUILDER OF RESIDENTIAL PROPERTY WHICH WAS TRANSFERRED TO THE BUILDER WITHIN THE PRECEDING YEAR AS CONSIDERATION FOR THE PURCHASE OF NEW, PREVIOUSLY UNOCCUPIED RESIDENTIAL PROPERTY, A CREDIT FOR THE AMOUNT OF THE TAX PAID AT THE TIME OF THE TRANSFER TO THE BUILDER SHALL BE GIVEN TO THE BUILDER TOWARD THE AMOUNT OF THE TAX DUE UPON THE TRANSFER.

(C) WHERE THERE IS A TRANSFER OF REAL ESTATE WHICH IS DEMISED BY THE GRANTOR, A CREDIT FOR THE AMOUNT OF TAX PAID AT THE TIME OF THE DEMISE SHALL BE GIVEN THE GRANTOR TOWARD THE TAX DUE UPON THE TRANSFER.

(D) WHERE THERE IS A CONVEYANCE BY DEED OF REAL ESTATE WHICH WAS PREVIOUSLY SOLD UNDER A LAND CONTRACT BY THE GRANTOR, A CREDIT FOR THE AMOUNT OF TAX PAID AT THE TIME OF THE SALE SHALL BE GIVEN THE GRANTOR TOWARD THE TAX DUE UPON THE DEED.

(E) IF THE TAX DUE UPON THE TRANSFER IS GREATER THAN THE CREDIT GIVEN UNDER THIS SECTION, THE DIFFERENCE SHALL BE PAID. IF THE CREDIT ALLOWED IS GREATER THAN THE AMOUNT OF TAX DUE, NO

1 REFUND OR CARRYOVER CREDIT SHALL BE ALLOWED.

2 SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

3 SECTION 1103-C.1. EXTENSION OF LEASE.--IN DETERMINING THE
4 TERM OF A LEASE, IT SHALL BE PRESUMED THAT A RIGHT OR OPTION TO
5 RENEW OR EXTEND A LEASE WILL BE EXERCISED IF THE RENTAL CHARGE
6 TO THE LESSEE IS FIXED OR IF A METHOD FOR CALCULATING THE RENTAL
7 CHARGE IS ESTABLISHED.

8 SECTION 12. SECTIONS 1104-C, 1105-C, 1106-C, 1108-C AND
9 1109-C OF THE ACT, ADDED MAY 5, 1981 (P.L.36, NO.14), ARE
10 AMENDED TO READ:

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

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

1 THE DEPARTMENT MAY PRESCRIBE SUCH OTHER METHOD OF CANCELLATION
2 AS IT MAY DEEM EXPEDIENT.

3 (B) THE USE OF DOCUMENTARY LICENSE METER IMPRESSIONS OR
4 SIMILAR INDICIA OF PAYMENT IN LIEU OF STAMPS AS REQUIRED BY THIS
5 ARTICLE MAY BE PERMITTED IN THE DISCRETION OF THE DEPARTMENT.

6 SECTION 1106-C. FURNISHING STAMPS.--(A) THE DEPARTMENT
7 SHALL PRESCRIBE, PREPARE AND FURNISH STAMPS TO EACH RECORDER OF
8 DEEDS, OF SUCH DENOMINATIONS AND QUANTITIES AS MAY BE NECESSARY,
9 FOR THE PAYMENT OF THE TAX IMPOSED AND ASSESSED BY THIS ARTICLE.

10 (B) THE DEPARTMENT SHALL ALLOW EACH COUNTY A COMMISSION
11 EQUAL TO ONE PER CENT OF THE FACE VALUE OF THE STAMPS SOLD OR
12 TWO HUNDRED FIFTY DOLLARS (\$250) WHICHEVER IS GREATER. THE
13 RECORDER OF DEEDS SHALL PAY THE COMMISSION HEREIN ALLOWED TO THE
14 GENERAL FUND OF THE COUNTY. THE DEPARTMENT SHALL PAY THE PREMIUM
15 OR PREMIUMS ON ANY BOND OR BONDS REQUIRED BY LAW TO BE PROCURED
16 BY RECORDER OF DEEDS FOR THE PERFORMANCE OF THEIR DUTIES UNDER
17 THIS ARTICLE.

18 (C) ALL MONEYS PAID INTO THE STATE TREASURY DURING THE
19 EFFECTIVE PERIOD OF THIS ARTICLE SHALL BE CREDITED TO THE
20 GENERAL FUND.

21 SECTION 1108-C. FAILURE TO AFFIX STAMPS.--NO DOCUMENT UPON
22 WHICH TAX IS IMPOSED BY THIS ARTICLE SHALL AT ANY TIME BE MADE
23 THE BASIS OF ANY ACTION OR OTHER LEGAL PROCEEDING, NOR SHALL
24 PROOF THEREOF BE OFFERED OR RECEIVED IN EVIDENCE IN ANY COURT OF
25 THIS COMMONWEALTH, OR RECORDED IN THE OFFICE OF ANY RECORDER OF
26 DEEDS OF ANY COUNTY OF THIS COMMONWEALTH, UNLESS A DOCUMENTARY
27 STAMP OR STAMPS AS PROVIDED IN THIS ARTICLE HAVE BEEN AFFIXED
28 THERETO.

29 SECTION 1109-C. STATEMENT OF VALUE; PENALTY.--(A) EVERY
30 DOCUMENT [WHEN] LODGED WITH OR PRESENTED TO ANY RECORDER OF

1 DEEDS IN THIS COMMONWEALTH FOR RECORDING, SHALL SET FORTH
2 THEREIN AND AS A PART OF SUCH DOCUMENT THE TRUE, FULL AND
3 COMPLETE VALUE THEREOF, OR SHALL BE ACCOMPANIED BY [AN
4 AFFIDAVIT] A STATEMENT OF VALUE EXECUTED BY A RESPONSIBLE PERSON
5 CONNECTED WITH THE TRANSACTION SHOWING SUCH CONNECTION AND
6 SETTING FORTH THE TRUE, FULL AND COMPLETE VALUE THEREOF OR THE
7 REASON, IF ANY, WHY SUCH DOCUMENT IS NOT SUBJECT TO TAX UNDER
8 THIS ARTICLE. THE PROVISIONS OF THIS SUBSECTION SHALL NOT APPLY
9 TO ANY EXCLUDABLE REAL ESTATE TRANSFERS WHICH ARE EXEMPT FROM
10 TAXATION BASED ON FAMILY RELATIONSHIP. OTHER DOCUMENTS PRESENTED
11 FOR THE AFFIXATION OF STAMPS SHALL BE ACCOMPANIED BY A CERTIFIED
12 COPY OF THE DOCUMENT AND STATEMENT OF VALUE EXECUTED BY A
13 RESPONSIBLE PERSON CONNECTED WITH THE TRANSACTION SHOWING SUCH
14 CONNECTION AND SETTING FORTH THE TRUE, FULL AND COMPLETE VALUE
15 THEREOF OR THE REASON, IF ANY, WHY SUCH DOCUMENT IS NOT SUBJECT
16 TO TAX UNDER THIS ARTICLE.

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

30 SECTION 13. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

1 SECTION 1109-C.1. CIVIL PENALTIES.--(A) IF ANY PART OF ANY
2 UNDERPAYMENT OF TAX IMPOSED BY THIS ARTICLE IS DUE TO FRAUD,
3 THERE SHALL BE ADDED TO THE TAX AN AMOUNT EQUAL TO FIFTY PER
4 CENT OF THE UNDERPAYMENT.

5 (B) IN THE CASE OF FAILURE TO RECORD A DECLARATION REQUIRED
6 UNDER THIS ARTICLE ON THE DATE PRESCRIBED THEREFOR, UNLESS IT IS
7 SHOWN THAT SUCH FAILURE IS DUE TO REASONABLE CAUSE, THERE SHALL
8 BE ADDED TO THE TAX FIVE PER CENT OF THE AMOUNT OF SUCH TAX IF
9 THE FAILURE IS FOR NOT MORE THAN ONE MONTH, WITH AN ADDITIONAL
10 FIVE PER CENT FOR EACH ADDITIONAL MONTH OR FRACTION THEREOF
11 DURING WHICH SUCH FAILURE CONTINUES, NOT EXCEEDING FIFTY PER
12 CENT IN THE AGGREGATE.

13 SECTION 14. SECTIONS 1110-C, 1111-C AND 1112-C OF THE ACT,
14 ADDED MAY 5, 1981 (P.L.36, NO.14), ARE AMENDED TO READ:

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

17 (1) [MAKE, EXECUTE, DELIVER,] ACCEPT OR PRESENT FOR
18 RECORDING OR CAUSE TO BE [MADE, EXECUTED, DELIVERED,] ACCEPTED
19 OR PRESENTED FOR RECORDING ANY DOCUMENT, WITHOUT THE FULL AMOUNT
20 OF TAX THEREON BEING DULY PAID; OR,

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

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

27 (B) ANY PERSON VIOLATING ANY OF THE PROVISIONS OF SUBSECTION
28 (A) SHALL BE GUILTY OF A [MISDEMEANOR, AND, UPON CONVICTION
29 THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT MORE THAN FIVE
30 HUNDRED DOLLARS (\$500) AND COSTS OF PROSECUTION, OR TO UNDERGO

1 IMPRISONMENT OF NOT MORE THAN NINETY DAYS, OR BOTH, IN THE
2 DISCRETION OF THE COURT] SUMMARY OFFENSE.

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

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

6 (2) FRAUDULENTLY AFFIX TO ANY DOCUMENT UPON WHICH TAX IS
7 IMPOSED BY THIS ARTICLE ANY DOCUMENTARY STAMP WHICH HAS BEEN
8 CUT, TORN OR REMOVED FROM ANY OTHER DOCUMENT UPON WHICH TAX IS
9 IMPOSED BY THIS ARTICLE, OR ANY DOCUMENTARY STAMP OF
10 INSUFFICIENT VALUE, OR ANY FORGED OR COUNTERFEITED STAMP, OR ANY
11 IMPRESSION OF ANY FORGED OR COUNTERFEITED STAMP, DIE, PLATE OR
12 OTHER ARTICLE; OR,

13 (3) WILFULLY REMOVE OR ALTER THE CANCELLATION MARKS OF ANY
14 DOCUMENTARY STAMP, OR RESTORE ANY SUCH DOCUMENTARY STAMP, WITH
15 INTENT TO USE OR CAUSE THE SAME TO BE USED AFTER IT HAS ALREADY
16 BEEN USED, OR KNOWINGLY BUY, SELL, OFFER FOR SALE, OR GIVE AWAY
17 ANY SUCH ALTERED OR RESTORED STAMP TO ANY PERSON FOR USE, OR
18 KNOWINGLY USE THE SAME; OR,

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

24 (5) KNOWINGLY OR WILFULLY PREPARE, KEEP, SELL, OFFER FOR
25 SALE, OR HAVE IN HIS POSSESSION, ANY FORGED OR COUNTERFEITED
26 DOCUMENTARY STAMPS.

27 (D) ANY PERSON VIOLATING ANY OF THE PROVISIONS OF SUBSECTION
28 (C) SHALL BE GUILTY OF A MISDEMEANOR[, AND, UPON CONVICTION
29 THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN FIVE
30 HUNDRED DOLLARS (\$500) NOR MORE THAN ONE THOUSAND DOLLARS

1 (\$1,000) AND COSTS OF PROSECUTION, OR TO UNDERGO IMPRISONMENT
2 FOR NOT MORE THAN FIVE YEARS, OR BOTH, IN THE DISCRETION OF THE
3 COURT] OF THE SECOND DEGREE.

4 (E) A PERSON WHO MAKES A FALSE STATEMENT OF VALUE OR
5 DECLARATION OF ACQUISITION, WHEN HE DOES NOT BELIEVE THE
6 STATEMENT OR DECLARATION TO BE TRUE, IS GUILTY OF A MISDEMEANOR
7 OF THE SECOND DEGREE.

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

18 (B) PROMPTLY AFTER THE DATE OF SUCH DETERMINATION, THE
19 DEPARTMENT SHALL SEND[,] BY [REGISTERED] MAIL[,] A COPY THEREOF
20 TO THE PERSON AGAINST WHOM IT WAS MADE. WITHIN NINETY DAYS AFTER
21 THE DATE UPON WHICH THE COPY OF ANY SUCH DETERMINATION WAS
22 MAILED, SUCH PERSON MAY FILE WITH THE DEPARTMENT A PETITION FOR
23 REDETERMINATION OF SUCH TAXES. EVERY PETITION FOR
24 REDETERMINATION SHALL STATE SPECIFICALLY THE REASONS WHICH THE
25 PETITIONER BELIEVES ENTITLE HIM TO SUCH REDETERMINATION, AND IT
26 SHALL BE SUPPORTED BY AFFIRMATION THAT IT IS NOT MADE FOR THE
27 PURPOSE OF DELAY AND THAT THE FACTS SET FORTH THEREIN ARE TRUE.
28 IT SHALL BE THE DUTY OF THE DEPARTMENT WITHIN SIX MONTHS AFTER
29 THE DATE OF [ANY DETERMINATION] FILING OF ANY PETITION FOR
30 REDETERMINATION TO DISPOSE OF [ANY] THE PETITION [FOR

1 REDETERMINATION]. NOTICE OF THE ACTION TAKEN UPON ANY PETITION
2 FOR REDETERMINATION SHALL BE GIVEN TO THE PETITIONER PROMPTLY
3 AFTER THE DATE OF REDETERMINATION BY THE DEPARTMENT.

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

8 SECTION 1112-C. LIEN.--(A) ANY TAX DETERMINED TO BE DUE BY
9 [ANY PERSON HEREUNDER] THE DEPARTMENT AND REMAINING UNPAID AFTER
10 DEMAND FOR THE SAME, AND ALL PENALTIES AND INTEREST THEREON,
11 SHALL BE A LIEN IN FAVOR OF THE COMMONWEALTH UPON THE PROPERTY,
12 BOTH REAL AND PERSONAL, OF SUCH PERSON BUT ONLY AFTER SAID LIEN
13 HAS BEEN ENTERED AND DOCKETED OF RECORD BY THE PROTHONOTARY OF
14 THE COUNTY WHERE SUCH PROPERTY IS SITUATED. [THE]

15 (A.1) AT ANY TIME AFTER IT MAKES A DETERMINATION OF
16 ADDITIONAL TAX, PENALTY OR INTEREST, THE DEPARTMENT MAY [AT ANY
17 TIME] TRANSMIT TO THE PROTHONOTARIES OF THE RESPECTIVE COUNTIES
18 CERTIFIED COPIES OF ALL LIENS FOR SUCH TAXES, PENALTIES AND
19 INTEREST, AND IT SHALL BE THE DUTY OF EACH PROTHONOTARY
20 RECEIVING THE LIEN TO ENTER AND DOCKET THE SAME OF RECORD IN HIS
21 OFFICE, WHICH LIEN SHALL BE INDEXED AS JUDGMENTS ARE NOW
22 INDEXED. [A] AFTER THE DEPARTMENT'S DETERMINATION BECOMES FINAL,
23 A WRIT OF EXECUTION MAY DIRECTLY ISSUE UPON SUCH LIEN WITHOUT
24 THE ISSUANCE AND PROSECUTION TO JUDGMENT OF A WRIT OF SCIRE
25 FACIAS: PROVIDED, THAT NOT LESS THAN TEN DAYS BEFORE ISSUANCE OF
26 ANY EXECUTION ON THE LIEN, NOTICE [OF THE FILING AND THE EFFECT
27 OF THE LIEN] SHALL BE SENT BY [REGISTERED] CERTIFIED MAIL TO THE
28 TAXPAYER AT HIS LAST KNOWN POST OFFICE ADDRESS. NO PROTHONOTARY
29 SHALL REQUIRE AS A CONDITION PRECEDENT TO THE ENTRY OF SUCH
30 LIENS, THE PAYMENT OF ANY COSTS INCIDENT THERETO.

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

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

27 (D)] THE LIEN IMPOSED HEREUNDER SHALL CONTINUE FOR FIVE
28 YEARS FROM THE DATE OF ITS ENTRY OF RECORD, AND MAY BE RENEWED
29 AND CONTINUED IN THE MANNER NOW OR HEREAFTER PROVIDED FOR THE
30 RENEWAL OF JUDGMENTS, OR AS MAY BE PROVIDED IN THE ACT OF APRIL

1 9, 1929 (P.L.343, NO.176), KNOWN AS "THE FISCAL CODE."

2 SECTION 15. THE ACT IS AMENDED BY ADDING A SECTION AND AN
3 ARTICLE TO READ:

4 SECTION 1113-C. REFUNDS.--(A) WHENEVER THE AMOUNT DUE UPON
5 DETERMINATION, REDETERMINATION OR REVIEW IS LESS THAN THE AMOUNT
6 PAID TO THE DEPARTMENT ON ACCOUNT THEREOF, THE DEPARTMENT SHALL
7 ENTER A CREDIT IN THE AMOUNT OF SUCH DIFFERENCE TO THE ACCOUNT
8 OF THE PERSON WHO PAID THE TAX.

9 (B) WHERE THERE HAS BEEN NO DETERMINATION OF UNPAID TAX, THE
10 DEPARTMENT SHALL HAVE THE POWER, AND ITS DUTY SHALL BE, TO HEAR
11 AND DECIDE ANY APPLICATION FOR REFUND AND, UPON THE ALLOWANCE OF
12 SUCH APPLICATION, TO ENTER A CREDIT IN THE AMOUNT OF THE
13 OVERPAYMENT TO THE ACCOUNT OF THE PERSON WHO PAID THE TAX. SUCH
14 APPLICATION MUST BE FILED WITHIN TWO YEARS AFTER THE DATE OF
15 PAYMENT.

16 ARTICLE XI-D

17 LOCAL REAL ESTATE TRANSFER TAX

18 SECTION 1101-D. IMPOSITION.--THE DULY CONSTITUTED
19 AUTHORITIES OF THE FOLLOWING POLITICAL SUBDIVISIONS--CITIES OF
20 THE SECOND CLASS, CITIES OF THE SECOND CLASS A, CITIES OF THE
21 THIRD CLASS, BOROUGHs, INCORPORATED TOWNS, TOWNSHIPS OF THE
22 FIRST CLASS, TOWNSHIPS OF THE SECOND CLASS, SCHOOL DISTRICTS OF
23 THE SECOND CLASS, SCHOOL DISTRICTS OF THE THIRD CLASS AND SCHOOL
24 DISTRICTS OF THE FOURTH CLASS, IN ALL CASES INCLUDING
25 INDEPENDENT SCHOOL DISTRICTS--MAY, IN THEIR DISCRETION, BY
26 ORDINANCE OR RESOLUTION, FOR GENERAL REVENUE PURPOSES, LEVY,
27 ASSESS AND COLLECT OR PROVIDE FOR THE LEVYING, ASSESSMENT AND
28 COLLECTION OF A TAX UPON A TRANSFER OF REAL PROPERTY OR AN
29 INTEREST IN REAL PROPERTY WITHIN THE LIMITS OF THE POLITICAL
30 SUBDIVISION, REGARDLESS OF WHERE THE INSTRUMENTS MAKING THE

1 TRANSFERS ARE MADE, EXECUTED OR DELIVERED OR WHERE THE ACTUAL
2 SETTLEMENTS ON THE TRANSFER TAKE PLACE, TO THE EXTENT THAT THE
3 TRANSACTIONS ARE SUBJECT TO THE TAX IMPOSED BY ARTICLE XI-C. IN
4 ADDITION, SUCH POLITICAL SUBDIVISION MAY IMPOSE A LOCAL REAL
5 ESTATE TRANSFER TAX UPON ADDITIONAL CLASSES OR TYPES OF
6 TRANSACTIONS IF THE TAX WAS IMPOSED BY THE POLITICAL SUBDIVISION
7 UNDER THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS
8 "THE LOCAL TAX ENABLING ACT," PRIOR TO THE EFFECTIVE DATE OF
9 THIS ARTICLE. A TAX IMPOSED UNDER THIS ARTICLE SHALL BE SUBJECT
10 TO RATE LIMITATIONS PROVIDED BY SECTION 5 OF "THE LOCAL TAX
11 ENABLING ACT."

12 SECTION 1102-D. ADMINISTRATION.--A TAX IMPOSED UNDER THIS
13 ARTICLE SHALL BE ADMINISTERED, COLLECTED AND ENFORCED UNDER THE
14 ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS "THE LOCAL
15 TAX ENABLING ACT."

16 Section 5 16. The act is amended by adding an article to <—
17 read:

18 ARTICLE XVIII

19 JOB CREATION TAX CREDIT <—

20 Section 1801. Short Title.--This article shall be known and
21 may be cited as the job creation Tax Credit Law.

22 Section 1802. Statement of Public Policy.--It is hereby
23 declared to be the public policy of the Commonwealth of
24 Pennsylvania to encourage the expansion of employment within
25 this Commonwealth. Cognizant of the fact that employers must pay
26 a Federal Unemployment Compensation Tax on the wages paid to
27 their employes and that, until the Commonwealth's debt to the
28 Federal Unemployment Trust Fund is repaid, Federal tax will
29 increase each year, and cognizant of the relative burden this
30 places upon employers to expand or locate employment in

1 Pennsylvania rather than in another state where such employment
2 would not be subject to additional Federal taxes, the General
3 Assembly has determined that the stated public policy can best
4 be achieved by providing a tax credit for employers equal to the
5 additional amount of Federal Unemployment Compensation Tax they
6 incur when expanding employment within this Commonwealth for the
7 duration of the period of the Commonwealth's indebtedness to the
8 Federal Unemployment Compensation Trust Fund. Additionally,
9 being cognizant of the burden placed upon a new employer to pay
10 unemployment compensation costs while the business is getting on
11 its feet, the General Assembly has further determined that the
12 stated public policy can best be achieved by providing a tax
13 credit for new employers equal to the amount of their State
14 unemployment compensation contribution for the duration of the
15 period during which they are ineligible for an experience-based
16 rate and the Commonwealth indebtedness to the Federal
17 Unemployment Compensation Trust Fund remains unpaid.

18 Section 1803. Authorization of Credit.--Every employer who
19 provides new employment shall be eligible to receive a tax
20 credit, as provided in this article, against any tax due from
21 him under Articles II, IV or VI of this act, and against any
22 payment of estimated tax or payment of tentative tax due from
23 him on account of said taxes.

24 Section 1804. Calculation of Tax Credit.--(a) The amount of
25 the tax credit available to an employer who provides new
26 employment shall be equal to the sum of:

27 (1) the amount by which the employer's excise tax liability
28 for the calendar year pursuant to section 523(a) and (b) of the
29 Federal Unemployment Tax Act (26 U.S.C. §§ 3301 and 3302)
30 increases as a result of wages paid by him during the calendar

1 year with respect to new employment as defined in this article;
2 and

3 (2) the amount by which the employer's contribution, if any,
4 at the rate specified in the first sentence of paragraph (4) of
5 section 301(a) of the act of December 5, 1936 (2nd Sp.Sess.,
6 1937 P.L.2897, No.1), known as the "Unemployment Compensation
7 Law," increases as a result of wages paid by him during the
8 calendar year with respect to new employment as defined in this
9 article.

10 (b) For purposes of this article, new employment shall mean
11 full-time employees added to the payroll on or after July 1,
12 1986, whose employment causes the employer's average employment
13 covered by the "Unemployment Compensation Law" during the
14 calendar year to exceed the highest quarterly level of such
15 employment during calendar year 1985. Where an employer
16 maintains more than one place of employment in the same line of
17 business within this Commonwealth, all of the employees at the
18 several places of employment shall be combined in determining
19 the highest level of covered employment. Where an employer
20 maintains more than one place of employment within this
21 Commonwealth, and the several places of employment operate
22 separate and distinct lines of business, the Secretary of Labor
23 and Industry may authorize the determination of new employment
24 to be made by separately combining employment at those places
25 operating each of the employer's separate lines of business. New
26 employment shall not include the relocation of employees,
27 including those transferred from one line of business to
28 another. In all cases, the Secretary of Labor and Industry shall
29 verify for the Secretary of Revenue the employment figures used
30 in the determination of new employment.

1 Section 1805. Time to Take Tax Credit.--During the calendar
2 year succeeding any calendar year in which an employer provides
3 new employment as described in this article, the employer may
4 use any tax credit to which he becomes entitled as a result of
5 new employment provided during the previous calendar year. For
6 purposes of this section, tax credits shall be deemed used if
7 applied by the employer in payment of any qualifying tax,
8 tentative tax, or estimated tax which becomes due during the
9 calendar year succeeding the year in which new employment was
10 provided. For purposes of this article, a liability for
11 estimated tax or tentative tax shall be deemed to exist to the
12 extent of the tax finally determined to be due. Tax credits not
13 used before the close of the calendar year succeeding the year
14 in which the new employment was provided shall lapse.

15 Section 1806. Powers and Duties of the Secretary of
16 Revenue.--In addition to those created by any other act of the
17 General Assembly, the Secretary of Revenue shall have the power
18 and it shall be his duty to:

19 (1) Publish, no later than September 30, 1986, rules and
20 regulations as required to implement this act.

21 (2) Publish and disseminate, no later than October 30, 1986,
22 forms upon which taxpayers may apply for the tax credit
23 authorized by this article.

24 (3) Within ninety days after receipt of any application for
25 tax credit pursuant to this article, verify, in consultation
26 with the Secretary of Labor and Industry, the calculation of any
27 tax credit for which application has been made, apply the tax
28 credit as requested by the taxpayer, and mail notification of
29 the amount of the credit and its disposition to the taxpayer.

30 (4) Within five months after the close of any calendar year

1 during which tax credits granted pursuant to this article were
2 used, furnish to the members of the General Assembly an annual
3 report providing, as to each employer who used credits during
4 the preceding calendar year pursuant to this article, the
5 employer's name, address, standard industrial classification
6 code, the amount of new employment, and the amount of tax
7 credits granted pursuant to each subsection of section 1804.

8 (5) The provisions of section 408(b) of this act relating to
9 confidentiality of information, and any other provisions of law
10 preventing the disclosure of information required pursuant to
11 clause (4) of this section, shall not apply when the information
12 is divulged for the purposes of clause (4) of this section.

13 Section 1807. Expiration of Tax Credit.--Any tax credit
14 granted pursuant to this article must be used before the end of
15 the calendar year succeeding the calendar year during which the
16 Commonwealth's indebtedness to the Federal Unemployment
17 Compensation Trust Fund is repaid. No employer shall be eligible
18 for a tax credit in respect of new employment provided during
19 the calendar year succeeding the year during which the
20 Commonwealth's indebtedness to the Federal Unemployment
21 Compensation Trust Fund is repaid, or for any year thereafter.

22 Section 1808. Sunset.--This article shall expire thirty-six
23 months after the close of the calendar year during which the
24 Commonwealth's indebtedness to the Federal Unemployment
25 Compensation Trust Fund is repaid.

26 Section 6 17. Section 3003(b.1) of the act, added July 1, <—
27 1985 (P.L.78, No.29), is amended and the section is amended by
28 adding a subsection to read:

29 Section 3003. Prepayment of Tax.--* * *

30 (b.1) Notwithstanding the provisions of subsections (a) and

1 (b), the tentative tax due with respect to the capital stock and
2 franchise tax for taxable years commencing [with] during
3 calendar year 1986 [and for each taxable year thereafter] shall
4 be computed by applying the current tax rate to eighty-five per
5 cent of such tax base from the year preceding the immediate
6 prior year.

7 (b.2) Notwithstanding the provisions of subsections (a), (b)
8 and (b.1), the tentative tax due with respect to the capital
9 stock and franchise tax for taxable years commencing with
10 calendar year 1987 and for each taxable year thereafter shall be
11 computed by applying the current tax rate to eighty per cent of
12 such tax base from the year preceding the immediate prior year.

13 * * *

14 Section 7 18. (A) If the amendment to the definition of <—
15 "capital stock value" as provided by section 4 5, or the <—
16 application thereof to any person or circumstance is held
17 invalid, it is the intent of the General Assembly that such
18 amendment shall be severable and "capital stock value" shall be
19 defined as if this amendment had never been enacted.

20 (B) IF ANY WORD, PHRASE, CLAUSE, SENTENCE, SECTION OR <—
21 PROVISION OF THIS ACT IS FOR ANY REASON HELD TO BE
22 UNCONSTITUTIONAL, THE DECISION OF THE COURT SHALL NOT AFFECT OR
23 IMPAIR ANY OF THE REMAINING PROVISIONS OF THIS ACT. IT IS HEREBY
24 DECLARED AS THE LEGISLATIVE INTENT THAT THIS ACT WOULD HAVE BEEN
25 ADOPTED HAD SUCH UNCONSTITUTIONAL WORD, PHRASE, CLAUSE,
26 SENTENCE, SECTION OR PROVISION THEREOF NOT BEEN INCLUDED HEREIN.

27 SECTION 19. NOTWITHSTANDING ANYTHING CONTAINED IN ANY LAW TO
28 THE CONTRARY, THE VALIDITY OF ANY ORDINANCE OR PART OF ANY
29 ORDINANCE, OR ANY RESOLUTION OR PART OF ANY RESOLUTION, AND ANY
30 AMENDMENTS OR SUPPLEMENTS THERETO, NOW OR HEREAFTER ENACTED OR

1 ADOPTED BY ANY POLITICAL SUBDIVISION, PROVIDING FOR OR RELATING
2 TO THE IMPOSITION, LEVY OR COLLECTION OF ANY TAX, SHALL NOT BE
3 AFFECTED OR IMPAIRED BY ANYTHING CONTAINED IN SECTION 5 OF THIS
4 ACT.

5 SECTION 20. THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511),
6 KNOWN AS THE LOCAL TAX ENABLING ACT, IS REPEALED INsofar AS IT
7 IS INCONSISTENT WITH THIS ACT.

8 SECTION 21. THE TAX IMPOSED BY SECTION 6 OF THIS ACT SHALL
9 APPLY TO DOCUMENTS MADE, EXECUTED, DELIVERED, ACCEPTED OR
10 PRESENTED FOR RECORDING SUBSEQUENT TO JUNE 30, 1986, AND SHALL
11 NOT APPLY TO ANY DOCUMENT MADE, EXECUTED AND DELIVERED PRIOR TO
12 JULY 1, 1986.

13 ~~Section 8. This act shall apply retroactively to taxable~~ <—
14 ~~years beginning on or after January 1, 1986.~~

15 ~~Section 9. This act shall take effect immediately.~~

16 SECTION 22. (A) SECTION 1 SHALL BE RETROACTIVE TO JANUARY <—
17 1, 1985.

18 (B) SECTION 2 SHALL BE RETROACTIVE TO JULY 1, 1986.

19 (C) SECTION 16 SHALL BE RETROACTIVE TO JANUARY 1, 1986.

20 SECTION 23. (A) SECTIONS 3, 5 AND 18 SHALL TAKE EFFECT
21 JANUARY 1, 1987.

22 (B) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IMMEDIATELY.