

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 867

Session of
1985

INTRODUCED BY LAUGHLIN, LLOYD, FREEMAN, FEE, SALOOM, TIGUE,
TRELLO, BLAUM, AFFLERBACH, LETTERMAN, MORRIS, PRESSMANN,
BALDWIN, DAWIDA AND BELARDI, APRIL 15, 1985

REFERRED TO COMMITTEE ON FINANCE, APRIL 15, 1985

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 the return of certain tax credits
11 from railroads in the event of sales or divestments.

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

14 Section 1. Section 1101.2 of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 by adding a subsection to read:

17 Section 1101.2. Credit Against Tax.--* * *

18 (g) On or after the effective date of this subsection, if
19 any right-of-way or any ties, rails, signals and interlocks,
20 communication systems, power transmission systems, track
21 materials or ballast, the maintenance, improvement or purchase
22 of which resulted in a tax credit pursuant to this section, are

1 sold or divested by any railroad company within five years of
2 such maintenance, improvement or purchase, there shall be added
3 to the amount of tax due under this act, for the tax year in
4 which the sale or divestment occurs, an amount equal to the tax
5 credit granted under this section for said maintenance,
6 improvement or purchase, including amount expended for labor.
7 The tax due and owing pursuant to this subsection shall
8 constitute a first lien upon the property sold and shall
9 constitute a constructive trust upon the proceeds of the sale in
10 favor of the Commonwealth.

11 Section 2. This act shall take effect immediately.