

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1119 Session of  
1993

INTRODUCED BY TRELLO, FAJT, DeLUCA, NAILOR, HALUSKA, VAN HORNE,  
MELIO, RAYMOND, CESSAR, STISH, BELFANTI, PETRARCA, CORNELL,  
S. H. SMITH, BROWN, GEIST, PESCI, STABACK, O'BRIEN, FLICK,  
FAIRCHILD, JAROLIN, GODSHALL, BARLEY, ARMSTRONG, HESS,  
ULIANA, LYNCH, CLYMER, MILLER, GANNON, CLARK, PISTELLA, LEH,  
KING, GERLACH, SAURMAN, LEDERER, OLASZ, KASUNIC, MIHALICH AND  
LAUGHLIN, APRIL 19, 1993

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 1993

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 bakery products in relation  
11 to the sales tax; and making an editorial change.

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

14 Section 1. Section 201(c) and (d) of the act of March 4,  
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
16 amended August 4, 1991 (P.L.97, No.22), are amended to read:

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

1       \* \* \*

2       (c) "Manufacture." The performance of manufacturing,  
3 fabricating, compounding, processing or other operations,  
4 engaged in as a business, which place any tangible personal  
5 property in a form, composition or character different from that  
6 in which it is acquired whether for sale or use by the  
7 manufacturer, and shall include, but not be limited to--

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

13       (2) The publishing of books, newspapers, magazines and other  
14 periodicals and printing;

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

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

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

30       (6) Remanufacture for wholesale distribution by a

1 remanufacturer of motor vehicle parts from used parts acquired  
2 in bulk by the remanufacturer using an assembly line process  
3 which involves the complete disassembly of such parts and  
4 integration of the components of such parts with other used or  
5 new components of parts, including the salvaging, recycling or  
6 reclaiming of used parts by the remanufacturer.

7 The term "manufacture[,]" shall not include constructing,  
8 altering, servicing, repairing or improving real estate or  
9 repairing, servicing or installing tangible personal property,  
10 nor the cooking[,] or freezing [or baking] of fruits,  
11 vegetables, mushrooms, fish, seafood, meats[,] or poultry [or  
12 bakery products].

13 \* \* \*

14 (d) "Processing." The performance of the following  
15 activities when engaged in as a business enterprise:

16 (1) The cooking[, baking] or freezing of fruits, vegetables,  
17 mushrooms, fish, seafood, meats[,] or poultry [or bakery  
18 products], when the person engaged in such business packages  
19 such property in sealed containers for wholesale distribution.

20 (2) The scouring, carbonizing, cording, combing, throwing,  
21 twisting or winding of natural or synthetic fibers, or the  
22 spinning, bleaching, dyeing, printing or finishing of yarns or  
23 fabrics, when such activities are performed prior to sale to the  
24 ultimate consumer.

25 (3) The electroplating, galvanizing, enameling, anodizing,  
26 coloring, finishing, impregnating or heat treating of metals or  
27 plastics for sale or in the process of manufacturing.

28 (4) The rolling, drawing or extruding of ferrous and non-  
29 ferrous metals.

30 (5) The fabrication for sale of ornamental or structural

1 metal or of metal stairs, staircases, gratings, fire escapes or  
2 railings (not including fabrication work done at the  
3 construction site).

4 (6) The preparation of animal feed or poultry feed for sale.

5 (7) The production, processing and bottling of non-alcoholic  
6 beverages for wholesale distribution.

7 (8) The operation of a saw mill or planing mill for the  
8 production of lumber or lumber products for sale.

9 (9) The milling for sale of flour or meal from grains.

10 (10) The slaughtering and dressing of animals for meat to be  
11 sold or to be used in preparing meat products for sale, and the  
12 preparation of meat products including lard, tallow, grease,  
13 cooking and inedible oils for wholesale distribution.

14 (11) The processing of used lubricating oils.

15 (12) The broadcasting of radio and television programs of  
16 licensed commercial or educational stations.

17 \* \* \*

18 Section 2. This act shall be retroactive to August 4, 1991.

19 Section 3. This act shall take effect immediately.