

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 958 Session of
2001

INTRODUCED BY SCARNATI, ROBBINS AND WOZNIAK, JUNE 11, 2001

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 26, 2002

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 exclusions from sales and~~ <—
11 ~~use tax.~~ FURTHER PROVIDING FOR CORPORATION INTERESTS IN <—
12 UNINCORPORATED ENTITIES FOR PURPOSES OF CORPORATE NET INCOME
13 TAX AND CAPITAL STOCK AND FRANCHISE TAX AND FOR
14 APPLICABILITY.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 ~~Section 1. Section 204(44) of the act of March 4, 1971~~ <—
18 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, added~~
19 ~~December 23, 1983 (P.L.370, No.90), is amended to read:~~

20 ~~Section 204. Exclusions from Tax. The tax imposed by~~
21 ~~section 202 shall not be imposed upon~~

22 * * *

23 ~~(44) The sale at retail or use of firewood. For the purpose~~

~~of this clause, firewood shall mean the product of trees when
severed from the land and cut into proper lengths for burning
and pellets made from pure wood sawdust if used for fuel for
cooking, hot water production or to heat residential dwellings.~~

~~* * *~~

~~Section 2. This act shall take effect in 60 days.~~

SECTION 1. SECTIONS 402.2 AND 602.6 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, ADDED JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

SECTION 402.2. INTERESTS IN UNINCORPORATED ENTITIES.--[FOR]

(A) EXCEPT AS SET FORTH IN SUBSECTION (B), FOR PURPOSES OF THIS
ARTICLE, A CORPORATION'S INTEREST IN AN ENTITY WHICH IS NOT A
CORPORATION SHALL BE CONSIDERED A DIRECT OWNERSHIP INTEREST IN
THE ASSETS OF THE ENTITY RATHER THAN AN INTANGIBLE INTEREST.

(B) SUBSECTION (A) DOES NOT APPLY TO A CORPORATION'S
INTEREST IN AN ENTITY DESCRIBED IN SECTION 401(1)1 OR SECTION
401(1)2.

SECTION 602.6. INTEREST IN UNINCORPORATED ENTITIES.--[FOR]

(A) EXCEPT AS SET FORTH IN SUBSECTION (B), FOR PURPOSES OF THIS
ARTICLE, A CORPORATION'S INTEREST IN AN ENTITY WHICH IS NOT A
CORPORATION SHALL BE CONSIDERED A DIRECT OWNERSHIP INTEREST IN
THE ASSETS OF THE ENTITY RATHER THAN AN INTANGIBLE INTEREST.

(B) SUBSECTION (A) DOES NOT APPLY TO A CORPORATION'S
INTEREST IN AN ENTITY DESCRIBED IN SECTION 601(A)(B)(1) OR (2)
OF THE DEFINITION OF "CORPORATION."

SECTION 2. THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
AMENDMENT OF SECTIONS 402.2 AND 602.6 OF THE ACT ARE INTENDED TO
CLARIFY EXISTING LAW AND SHALL NOT BE CONSTRUED TO CHANGE THAT
LAW.

SECTION 3. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.