

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 355 Session of
2005

INTRODUCED BY DALLY, ARMSTRONG, BEBKO-JONES, BELFANTI, BROWNE,
CALTAGIRONE, CREIGHTON, FORCIER, GERGELY, GRUCELA, HANNA,
HARRIS, HERSHEY, HESS, HUTCHINSON, LEDERER, McNAUGHTON,
R. MILLER, S. MILLER, MUSTIO, O'NEILL, PETRI, PHILLIPS,
PICKETT, REICHLEY, ROBERTS, ROHRER, ROSS, SAINATO, SAYLOR,
R. STEVENSON, T. STEVENSON, WALKO, WILT, WOJNAROSKI AND
WANSACZ, FEBRUARY 8, 2005

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 8, 2005

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," defining "family partnership" for purposes of
11 realty transfer tax; and further providing for excluded
12 transactions from realty transfer tax.

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

15 Section 1. Section 1101-C of the act of March 4, 1971
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
17 by adding a definition to read:

18 Section 1101-C. Definitions.--The following words when used
19 in this article shall have the meanings ascribed to them in this
20 section:

1 * * *

2 "Family partnership." A partnership in which one hundred per
3 cent of the interests in the partnership are continuously owned
4 by members of the same family.

5 * * *

6 Section 2. Section 1102-C.3(20) of the act, amended June 16,
7 1994 (P.L.279, No.48), is amended and the section is amended by
8 adding clauses to read:

9 Section 1102-C.3. Excluded Transactions.--The tax imposed by
10 section 1102-C shall not be imposed upon:

11 * * *

12 (20) A transfer between members of the same family of an
13 ownership interest in a real estate company, family farm
14 corporation, family partnership or family farm partnership which
15 owns real estate.

16 * * *

17 (23) A transfer from a family partnership of real estate
18 held of record in the name of the family partnership where the
19 grantee owns an interest in the family partnership in the same
20 proportion as the interest of the grantee in or ownership of the
21 real estate being conveyed and where the interest of the grantee
22 in the family partnership has been held by the grantee for more
23 than two years.

24 (24) A transfer of real estate to a family partnership by a
25 member of the same family, which family directly owns one
26 hundred per cent of the interests in the family partnership.

27 Section 3. This act shall take effect in 60 days.