

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 882 Session of 2011

INTRODUCED BY PYLE, AUMENT, COX, CUTLER, ELLIS, GABLER, GEIST, GROVE, HUTCHINSON, KORTZ, METCALFE, OBERLANDER, PICKETT, REESE, SAYLOR, STERN, STEVENSON, TALLMAN AND VULAKOVICH, MARCH 2, 2011

REFERRED TO COMMITTEE ON FINANCE, MARCH 2, 2011

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," in capital stock and franchise tax, further  
11 defining "processing."

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

14 Section 1. The definition of "processing" in section 601(a)  
15 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
16 Reform Code of 1971, amended June 22, 2001 (P.L.353, No.23), is  
17 amended to read:

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

1       \* \* \*

2       "Processing." The following activities when engaged in as a  
3 business enterprise:

4       (1) The filtering or heating of honey, the cooking or  
5 freezing of fruits, vegetables, mushrooms, fish, seafood, meats  
6 or poultry, when the person engaged in such business packages  
7 such property in sealed containers for wholesale distribution.

8       (1.1) The processing of fruits or vegetables by cleaning,  
9 cutting, coring, peeling or chopping and treating to preserve,  
10 sterilize or purify and substantially extend the useful shelf  
11 life of the fruits or vegetables, when the person engaged in  
12 such activity packages such property in sealed containers for  
13 wholesale distribution.

14       (2) The scouring, carbonizing, cording, combing, throwing,  
15 twisting or winding of natural or synthetic fibers, or the  
16 spinning, bleaching, dyeing, printing or finishing of yarns or  
17 fabrics, when such activities are performed prior to sale to the  
18 ultimate consumer.

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

22       (3.1) The blanking, shearing, leveling, slitting or burning  
23 of metals for sale to or use by a manufacturer or processor.

24       (4) The rolling, drawing or extruding of ferrous and  
25 nonferrous metals.

26       (5) The fabrication for sale of ornamental or structural  
27 metal or metal stairs, staircases, gratings, fire escapes or  
28 railings (not including fabrication work done at the  
29 construction site).

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

1       (7)   The production, processing and bottling of nonalcoholic  
2 beverages for wholesale distribution.

3       (8)   The slaughtering and dressing of animals for meat to be  
4 sold or to be used in preparing meat products for sale, and the  
5 preparation of meat products, including lard, tallow, grease,  
6 cooking and inedible oils for wholesale distribution.

7       (9)   The operation of a saw mill or planing mill for the  
8 production of lumber or lumber products for sale. The operation  
9 of a saw mill or planing mill begins with the unloading by the  
10 operator of the saw mill or planing mill of logs, timber,  
11 pulpwood or other forms of wood material to be used in the saw  
12 mill or planing mill.

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

14       (10.1)   The aging, stripping, conditioning, crushing and  
15 blending of tobacco leaves for use as cigar filler or as  
16 components of smokeless tobacco products for sale to  
17 manufacturers of tobacco products.

18       (11)   The publishing of books, newspapers, magazines or other  
19 periodicals, printing and broadcasting radio and television  
20 programs by licensed commercial or educational stations.

21       (12)   The processing of used lubricating oils.

22       (13)   The blending, rectification or production by  
23 distillation or otherwise of alcohol or alcoholic liquors,  
24 except the distillation of alcohol from byproducts of winemaking  
25 for the sole purpose of fortifying wine.

26       (14)   The salvaging, recycling or reclaiming of used  
27 materials to be recycled into a manufacturing process.

28       (15)   The development or substantial modification of computer  
29 programs or software for sale to unrelated persons for their  
30 direct and independent use.

1       (16) The cleaning and roasting and the blending, grinding or  
2 packaging for sale of coffee from green coffee beans or the  
3 production of coffee extract.

4       (17) The refining, blasting, exploring, mining and quarrying  
5 for or otherwise extracting coal, limestone, sand, gravel or  
6 slag from the earth or from waste or stock piles or from pits or  
7 banks and the cleaning, crushing, grinding, pulverizing, sizing  
8 or screening of coal, limestone, sand, gravel or slag, including  
9 blast furnace slag.

10       (18) The preparation of dry or liquid fertilizer for sale.

11       (19) The production, processing and packaging of ice for  
12 wholesale distribution.

13       \* \* \*

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