

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 2370

**PRINTER NO.** 4074

**AMOUNT**

See Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

September 23, 2016

**PRIME SPONSOR**

Representative Moul

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 2370 amends the Tax Reform Code of 1971 by further providing for the applicability of realty transfer tax exclusion provisions enacted as part of Act 84 of 2016.

Act 84 of 2016 provided for certain transactions involving conservancies, conservation easements, veterans' organizations and transfers to or by a land bank to be exempt from the realty transfer tax. The legislation amends the provisions of Act 84 by making certain exempt transactions involving conservancies and transfers to or by a land bank retroactive to January 1, 2013.

Furthermore, the bill provides that when the statute of limitations has expired for certain transactions involving conservancies and transfers to or by a land bank, a taxpayer may still file a petition for refund with the Department of Revenue as long as the petition for refund is filed within six months of the effective date of this section.

The act shall take effect immediately, and the provisions amending Act 84 of 2016 relating to the definition of "conservancy" apply retroactively to July 13, 2016.

**FISCAL IMPACT:**

Enactment of this legislation will result in an unknown amount of lost revenue from the realty transfer tax to the Commonwealth and to local governments with regard to transfers of real estate affecting conservancies, conservation easements, and land banks. With the enactment of Act 84 of 2016 (i.e. omnibus Tax Reform Code Bill), the Department of Revenue indicated that the conservancy, conservation easement and land bank changes would result in an "unknown revenue loss" of realty transfer tax. Therefore, it is difficult to determine a specific amount of loss with regard to petitions for refund retroactive to similar transfers occurring after December 31, 2012.