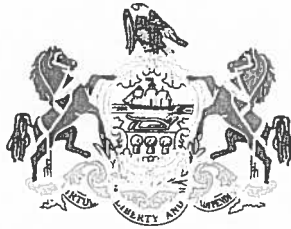


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House of Representatives
Commonwealth of Pennsylvania

COMMITTEES:
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MEMORANDUM

TO: All House Members
FROM: Representative Ryan Mackenzie
DATE: September 27, 2012
SUBJECT: Exemption for Volunteer Fire Companies to Realty Transfer Taxes

In the near future, I plan to introduce legislation to exempt volunteer fire companies from realty transfer taxes as defined under Act 2 of 1971, known as the Tax Reform Code.

As you may know, the Commonwealth of Pennsylvania currently collects a realty transfer tax, which is imposed at the rate of 1% on the value of the real estate being transferred by deed, instrument, long-term lease or other writing. Both the grantor and grantee are held jointly liable for payment of this tax. Counties can also impose an additional local realty transfer tax.

Currently, some real estate transfers are exempt from the realty transfer tax such as:

- transfers among family members
- transfers to governmental units
- transfers between religious organizations
- transfers to shareholders or partners
- transfers to or from nonprofit industrial development agencies

In addition, many volunteer fire companies are merging or consolidating to save on resources to better serve their communities. Currently, volunteer fire companies that merge together are not exempt from the realty transfer tax, which imposes an expensive burden on these non-profit organizations.

This proposed legislation will exempt volunteer fire companies and volunteer rescue companies from the realty transfer tax when merging or consolidating or just conducting a normal sale or acquisition of real estate. I believe it is both fitting and appropriate that we give volunteer fire companies and volunteer rescue companies exemption status. Our fire companies are a vital part of our communities, and deserve support in their efforts to combine resources to better serve their communities.

If you would like to cosponsor this legislation, please contact Kenda Wiederhold in my Harrisburg office at (717) 787-1000 or kwiederh@pahousegop.com.

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