

**TAX REFORM CODE OF 1971 - APPLICABILITY OF REALTY TRANSFER TAX
EXCLUSIONS PROVISIONS AND IMPOSING DUTY ON DEPARTMENT OF REVENUE
TO REFUND CERTAIN REALTY TRANSFER TAXES PAID
Act of Nov. 21, 2016, P.L. 1517, No. 175 Cl. 72
Session of 2016
No. 2016-175**

HB 2370

AN ACT

Amending the act of July 13, 2016 (P.L.526, No.84), entitled, "An act amending the act of March 4, 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,' as follows:

In sales and use tax:

further providing for definitions, for exclusions from tax, for discount and for crimes.

In personal income tax:

further providing for definitions, for classes of income and for tax withheld;

providing for contributions for tuition account programs; and

further providing for requirement of withholding tax, for information statement, for time for filing employers' returns, for payment of taxes withheld, for employer's liability for withheld taxes, for employer's failure to withhold, for declarations of estimated tax and for citation authority.

In corporate net income tax:

further providing for reports and payment of tax; providing for amended reports; and

further providing for enforcement, rules and regulations and inquisitorial powers of the department.

In bank and trust company shares tax:

further providing for imposition of tax, for ascertainment of taxable amount and exclusion of United States obligations, for apportionment and for definitions.

In gross receipts tax:

further providing for imposition of tax.

In realty transfer tax:

further providing for definitions, for exempt parties and for excluded transactions.

In cigarette tax:

further providing for incidence and rate of tax, for floor tax, for stamp to evidence the tax, for commissions on sales and for disposition of certain funds.

Imposing a tobacco products tax.

In research and development tax credit:

further providing for time limitations.

In film production tax credit:

making editorial changes;

further providing for scope of article, definitions and for limitations;

providing for reissuance of film production tax credits, for concert rehearsal and tour and for video game production.

Establishing the coal refuse energy and reclamation tax credit.

Establishing the waterfront development tax credit.

In tax credit for new jobs:
further providing for definitions and for tax credits.

In city revitalization and improvement zones:
further providing for definitions and for establishment of contracting authority;
providing for contracting authority duties;
further providing for approval, for functions of contracting authorities, for qualified businesses, for funds, for reports, for calculation of baseline, for certification, for transfers, for restrictions, for transfer of property, for Commonwealth pledges and for guidelines; and
providing for review.

Establishing the Manufacturing and Investment Tax Credit.

In neighborhood assistance tax credit:
further providing for definitions, for tax credit and for grant of tax credit.

In neighborhood improvement zones:
further providing for definitions and for Neighborhood Improvement Zone Funds; and
providing for taxes, for property assessment and for exceptions.

In Keystone Special Development Zone Program:
further providing for Keystone Special Development Zone tax credit.

Providing for keystone opportunity zones, keystone opportunity expansion zones and keystone opportunity improvement zones.

Providing for mixed-use development tax credit, the Mixed-use Development Program and Mixed-use Development Program Fund.

Providing for Keystone Innovation Zones.

In malt beverage tax:
further providing for limited tax credits.

In inheritance tax:
further providing for definitions, for transfers not subject to tax and for deductions not allowed.

Providing for table game taxes.

In procedure and administration:
further providing for petition procedure.

Establishing the computer data center equipment incentive program.

Providing for a tax amnesty program.

Making related repeals.

Further providing for preemption of local government tax.

Directing the Office of Attorney General to attempt to obtain the consent of participating manufacturers under the Master Settlement Agreement for amendments.

Providing for applicability for imposed taxes," further providing for the applicability of realty transfer tax exclusion provisions; and imposing a duty on the Department of Revenue to refund certain realty transfer taxes paid.

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

Section 1. Section 51(11) of the act of July 13, 2016 (P.L.526, No.84), entitled, "An act amending the act of March 4, 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,' as follows:

In sales and use tax:

further providing for definitions, for exclusions from tax, for discount and for crimes.

In personal income tax:

further providing for definitions, for classes of income and for tax withheld;

providing for contributions for tuition account programs; and

further providing for requirement of withholding tax, for information statement, for time for filing employers' returns, for payment of taxes withheld, for employer's liability for withheld taxes, for employer's failure to withhold, for declarations of estimated tax and for citation authority.

In corporate net income tax:

further providing for reports and payment of tax;

providing for amended reports; and

further providing for enforcement, rules and regulations and inquisitorial powers of the department.

In bank and trust company shares tax:

further providing for imposition of tax, for ascertainment of taxable amount and exclusion of United States obligations, for apportionment and for definitions.

In gross receipts tax:

further providing for imposition of tax.

In realty transfer tax:

further providing for definitions, for exempt parties and for excluded transactions.

In cigarette tax:

further providing for incidence and rate of tax, for floor tax, for stamp to evidence the tax, for commissions on sales and for disposition of certain funds.

Imposing a tobacco products tax.

In research and development tax credit:

further providing for time limitations.

In film production tax credit:

making editorial changes;

further providing for scope of article, definitions and for limitations;

providing for reissuance of film production tax credits, for concert rehearsal and tour and for video game production.

Establishing the coal refuse energy and reclamation tax credit.

Establishing the waterfront development tax credit.

In tax credit for new jobs:

further providing for definitions and for tax credits.

In city revitalization and improvement zones:

further providing for definitions and for establishment of contracting authority;

providing for contracting authority duties;

further providing for approval, for functions of contracting authorities, for qualified businesses, for funds, for reports, for calculation of baseline, for certification, for transfers, for restrictions, for transfer of property, for Commonwealth pledges and for guidelines; and

providing for review.

Establishing the Manufacturing and Investment Tax Credit.

In neighborhood assistance tax credit:

further providing for definitions, for tax credit and for grant of tax credit.

In neighborhood improvement zones:

further providing for definitions and for Neighborhood Improvement Zone Funds; and

providing for taxes, for property assessment and for exceptions.

In Keystone Special Development Zone Program:

further providing for Keystone Special Development Zone tax credit.

Providing for keystone opportunity zones, keystone opportunity expansion zones and keystone opportunity improvement zones.

Providing for mixed-use development tax credit, the Mixed-use Development Program and Mixed-use Development Program Fund.

Providing for Keystone Innovation Zones.

In malt beverage tax:

further providing for limited tax credits.

In inheritance tax:

further providing for definitions, for transfers not subject to tax and for deductions not allowed.

Providing for table game taxes.

In procedure and administration:

further providing for petition procedure.

Establishing the computer data center equipment incentive program.

Providing for a tax amnesty program.

Making related repeals.

Further providing for preemption of local government tax.

Directing the Office of Attorney General to attempt to obtain the consent of participating manufacturers under the Master Settlement Agreement for amendments.

Providing for applicability for imposed taxes," is amended to read:

Section 51. This act shall apply as follows:

* * *

(11) **The following shall apply:**

(i) The amendment or addition of the following provisions of the act shall apply to transfers [at least 60 days following the effective date of this section] **made after December 31, 2012:**

[(i)] **(A)** The [definitions] **definition** of "conservancy" [and "veterans' organization"] in section 1101-C.

[(ii)] Section 1102-C.2.

(iii)] (B) Section 1102-C.3(18) and (24).

(ii) **The amendment or addition of the following provisions of the act shall apply to transfers made after September 12, 2016:**

(A) **The definition of "veterans' organization" in section 1101-C.**

(B) **Section 1102-C.2.**

Section 2. Notwithstanding the time limitations for filing a petition for refund under section 3003.1 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971:

(1) a person that would be entitled to a refund of the tax imposed under Article XI-C of the Tax Reform Code of 1971 as a result of the amendment of section 51(11) of the amendatory act as it relates to transfers of real estate to or by a land bank; and

(2) a person that would be entitled to a refund of tax as a result of the addition of the definition of "conservancy" in section 1101-C of the Tax Reform Code of 1971 and the amendment of section 1102-C.3(18) of the Tax Reform Code of 1971

but for the time limitations contained under section 3003.1 of the Tax Reform Code of 1971 may file for and obtain a refund of tax actually paid as long as the petition for refund is filed within six months of the effective date of this section.

Section 3. The amendment of section 51(11) of the amendatory act shall apply retroactively to July 13, 2016.

Section 4. This act shall take effect immediately.

APPROVED--The 21st day of November, A.D. 2016.

TOM WOLF