

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1453 Session of
1997

INTRODUCED BY TRELLO, BOYES, LAUGHLIN, GANNON, GIGLIOTTI,
HUTCHINSON, DeLUCA, TIGUE, COLAIZZO, FARGO, READSHAW, NAILOR,
LEDERER, FLICK, GORDNER, CLARK, CURRY, SERAFINI, THOMAS,
HENNESSEY, C. WILLIAMS, L. I. COHEN, BATTISTO, VAN HORNE,
MILLER, KIRKLAND, GEIST, BOSCOLA, STABACK AND M. COHEN,
MAY 6, 1997

REFERRED TO COMMITTEE ON FINANCE, MAY 6, 1997

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," further providing for bakery products in relation
11 to the sales tax; and making an editorial change.

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

14 Section 1. Section 201(c) and (d) of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
16 amended August 4, 1991 (P.L.97, No.22), June 16, 1994 (P.L.279,
17 No.48) and June 30, 1995 (P.L.139, No.21), are amended to read:

18 Section 201. Definitions.--The following words, terms and
19 phrases when used in this Article II shall have the meaning
20 ascribed to them in this section, except where the context

1 clearly indicates a different meaning:

2 * * *

3 (c) "Manufacture." The performance of manufacturing,
4 fabricating, compounding, processing or other operations,
5 engaged in as a business, which place any tangible personal
6 property in a form, composition or character different from that
7 in which it is acquired whether for sale or use by the
8 manufacturer, and shall include, but not be limited to--

9 (1) Every operation commencing with the first production
10 stage and ending with the completion of tangible personal
11 property having the physical qualities (including packaging, if
12 any, passing to the ultimate consumer) which it has when
13 transferred by the manufacturer to another;

14 (2) The publishing of books, newspapers, magazines and other
15 periodicals and printing;

16 (3) Refining, blasting, exploring, mining and quarrying for,
17 or otherwise extracting from the earth or from waste or stock
18 piles or from pits or banks any natural resources, minerals and
19 mineral aggregates including blast furnace slag;

20 (4) Building, rebuilding, repairing and making additions to,
21 or replacements in or upon vessels designed for commercial use
22 of registered tonnage of fifty tons or more when produced upon
23 special order of the purchaser, or when rebuilt, repaired or
24 enlarged, or when replacements are made upon order of, or for
25 the account of the owner;

26 (5) Research having as its objective the production of a new
27 or an improved (i) product or utility service, or (ii) method of
28 producing a product or utility service, but in either case not
29 including market research or research having as its objective
30 the improvement of administrative efficiency.

(6) Remanufacture for wholesale distribution by a remanufacturer of motor vehicle parts from used parts acquired in bulk by the remanufacturer using an assembly line process which involves the complete disassembly of such parts and integration of the components of such parts with other used or new components of parts, including the salvaging, recycling or reclaiming of used parts by the remanufacturer.

(7) Remanufacture or retrofit by a manufacturer or remanufacturer of aircraft, armored vehicles, other defense-related vehicles having a finished value of at least fifty thousand dollars (\$50,000). Remanufacture or retrofit involves the disassembly of such aircraft, vehicles, parts or components, including electric or electronic components, the integration of those parts and components with other used or new parts or components, including the salvaging, recycling or reclaiming of the used parts or components and the assembly of the new or used aircraft, vehicles, parts or components. For purposes of this clause, the following terms or phrases have the following meanings:

(i) "aircraft" means fixed-wing aircraft, helicopters, powered aircraft, tilt-rotor or tilt-wing aircraft, unmanned aircraft and gliders;

(ii) "armored vehicles" means tanks, armed personnel carriers and all other armed track or semitrack vehicles; or

(iii) "other defense-related vehicles" means trucks, truck-tractors, trailers, jeeps and other utility vehicles, including any unmanned vehicles.

The term "manufacture[,]" shall not include constructing, altering, servicing, repairing or improving real estate or repairing, servicing or installing tangible personal property,

1 nor the cooking[,] or freezing [or baking] of fruits,
2 vegetables, mushrooms, fish, seafood, meats[,] or poultry [or
3 bakery products].

4 * * *

5 (d) "Processing." The performance of the following
6 activities when engaged in as a business enterprise:

7 (1) The filtering or heating of honey, the cooking[, baking]
8 or freezing of fruits, vegetables, mushrooms, fish, seafood,
9 meats[,] or poultry [or bakery products], when the person
10 engaged in such business packages such property in sealed
11 containers for wholesale distribution.

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

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

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

25 (4) The rolling, drawing or extruding of ferrous and non-
26 ferrous metals.

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

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

2 (7) The production, processing and bottling of non-alcoholic
3 beverages for wholesale distribution.

4 (8) The operation of a saw mill or planing mill for the
5 production of lumber or lumber products for sale.

6 (9) The milling for sale of flour or meal from grains.

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

11 (11) The processing of used lubricating oils.

12 (12) The broadcasting of radio and television programs of
13 licensed commercial or educational stations.

14 * * *

15 Section 2. This act shall take effect July 1, 1997.