
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1479 Session of
1998

INTRODUCED BY CONTI, PUNT, AFFLERBACH, RHOADES, TOMLINSON,
STOUT, LEMMOND, MELLOW, MOWERY AND O'PAKE, JUNE 15, 1998

REFERRED TO FINANCE, JUNE 15, 1998

AN ACT

1 Excluding certain real estate transactions involving family
2 partnerships from the State and local realty transfer tax.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Family
7 Partnership Realty Transfer Tax Exclusion Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Document." Any deed, instrument or writing which conveys,
13 transfers, devises, vests, confirms or evidences any transfer or
14 devise of title to real estate, but does not include wills,
15 mortgages, deeds of trust or other instruments of like character
16 given as security for a debt and deeds of release thereof to the
17 debtor, land contracts whereby the legal title does not pass to

1 the grantee until the total consideration specified in the
2 contract has been paid or any cancellation thereof unless the
3 consideration is payable over a period of time exceeding 30
4 years or instruments which solely grant, vest or confirm a
5 public utility easement.

6 "Family partnership." A partnership in which 100% of the
7 interests in the partnership are continuously owned by members
8 of the same family.

9 "Members of the same family." Any individual, such
10 individual's brothers and sisters, the brothers and sisters of
11 such individual's parents and grandparents, the ancestors and
12 lineal descendants of any of the foregoing, a spouse of any of
13 the foregoing and the estate of any of the foregoing.
14 Individuals related by the half blood or legal adoption shall be
15 treated as if they were related by the whole blood.

16 "Real estate."

17 (1) Any lands, tenements or hereditaments within this
18 Commonwealth, including, without limitation, buildings,
19 structures, fixtures, mines, minerals, oil, gas, quarries,
20 spaces with or without upper or lower boundaries, trees and
21 other improvements, immovables or interests which by custom,
22 usage or law pass with a conveyance of land, but excluding
23 permanently attached machinery and equipment in an industrial
24 plant.

25 (2) A condominium unit.

26 (3) A tenant-stockholder's interest in a cooperative
27 housing corporation, trust or association under a proprietary
28 lease or occupancy agreement.

29 Section 3. Realty transfer tax exclusion.

30 (a) General rule.--Notwithstanding any other law to the

1 contrary, the provisions of Articles XI-C and XI-D of the act of
2 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
3 1971, shall not apply to any of the following:

4 (1) A transfer from a family partnership of real estate
5 held of record in the name of the family partnership where
6 the grantee owns an interest in the family partnership in the
7 same proportion as his interest in or ownership of the real
8 estate being conveyed and where the interest in the
9 partnership has been held by the grantee for more than two
10 years.

11 (2) A transfer of real estate to a family partnership by
12 a member of the same family, which family directly owns 100%
13 of the interests in the partnership.

14 (3) A transfer between members of the same family of an
15 ownership interest in a family partnership which owns real
16 estate.

17 (b) Other transfers.--Unless specifically excluded by the
18 provisions of Articles XI-C and XI-D of the Tax Reform Code of
19 1971, all other transfers between and among family partnerships
20 shall be taxable.

21 Section 4. Effective date.

22 This act shall take effect in 60 days.