

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 1479** Session of  
1998

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

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SENATOR HART, FINANCE, AS AMENDED, OCTOBER 6, 1998

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## 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 "PARTNERSHIP." AS DEFINED IN 15 PA.C.S. § 8311 (RELATING TO <—  
17 PARTNERSHIP DEFINED).

18 "Real estate."

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

27 (2) A condominium unit.

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

1 Section 3. Realty transfer tax exclusion.

2 (a) General rule.--Notwithstanding any other law to the  
3 contrary, the provisions of Articles XI-C and XI-D of the act of  
4 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
5 1971, shall not apply to any of the following:

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

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

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

19 (b) Other transfers.--Unless specifically excluded by the  
20 provisions of Articles XI-C and XI-D of the Tax Reform Code of  
21 1971, all other transfers between and among family partnerships  
22 shall be taxable.

23 Section 4. Effective date.

24 This act shall take effect in 60 days.