THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1921 Session of 2003

INTRODUCED BY McILHINNEY, BAKER, FAIRCHILD, FICHTER, GEIST,
HARPER, HERSHEY, HUTCHINSON, R. MILLER, REICHLEY, SCHRODER,
T. STEVENSON, WANSACZ AND WATSON, AUGUST 5, 2003

REFERRED TO COMMITTEE ON FINANCE, AUGUST 5, 2003

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 excluded transactions from
11   the realty transfer tax.

12   The General Assembly of the Commonwealth of Pennsylvania

13 hereby enacts as follows:

14   Section 1. Section 1102-C.3 of the act of March 4, 1971

15 (P.L.6, No.2), known as the Tax Reform Code of 1971, added July

16 2, 1986 (P.L.318, NO.77), is amended by adding a clause to read:

17   Section 1102-C.3. Excluded Transactions.--The tax imposed by

18 section 1102-C shall not be imposed upon:

19   * * *

20   (23) A transfer by an individual to a business entity that

21 is wholly owned by that individual or a transfer between a

22 husband and wife to a business entity that is wholly owned by

1 <u>them.</u>

2 In order to exercise any exclusion provided in this section, the

3 true, full and complete value of the transfer shall be shown on

4 the statement of value. For leases of coal, oil, natural gas or

5 minerals, the statement of value may be limited to an

6 explanation of the reason such document is not subject to tax

7 under this article.

8   Section 2. This act shall apply to transfers on or after the

9 effective date of this act.

10   Section 3. This act shall take effect in 60 days.