

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1475 Session of
2007

INTRODUCED BY SURRA, JUNE 5, 2007

REFERRED TO COMMITTEE ON FINANCE, JUNE 5, 2007

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," clarifying the status of certain foreign entities
11 contracting with powder metallurgy products manufacturers
12 located within this Commonwealth.

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

15 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
16 the Tax Reform Code of 1971, is amended by adding a section to
17 read:

18 Section 3003.19. Powdered Metallurgy Parts.--For purposes of
19 defining the phrases "doing business in this Commonwealth,"
20 "carrying on activities in this Commonwealth," "having capital
21 or property employed or used in this Commonwealth" or "owning
22 property in this Commonwealth" in sections 401 and 402 of

Article IV and substantially similar phrases in section 601 of Article VI, and for determining activities which are not protected under the act of September 14, 1959 (Public Law 86-272, 15 U.S.C. § 381 et seq.), the following activities shall be excluded:

(1) Owning or leasing of intangible and tangible property, including dies, molds, tooling and related equipment, by a person who has contracted with an unaffiliated manufacturer of powder metallurgy products for manufacturing, provided that:

(i) the property is for use by the powder metallurgy product manufacturer;

(ii) the property is located at the Pennsylvania premises of the powder metallurgy product manufacturer; and

(iii) the products manufactured using such property are incorporated into products produced outside this Commonwealth by the owner or lessor of the property.

(2) Visits by a person's employees or agents to the premises in this Commonwealth of an unaffiliated powder metallurgy product manufacturer with whom the person has contracted for manufacturing in connection with the contract.

(3) Owning of manufactured powder metallurgy products and other items packaged therewith, by a person who has contracted with an unaffiliated powder metallurgy products manufacturer for manufacturing of products, on the premises of the unaffiliated powdered metallurgy products manufacturer prior to delivery of the property.

Section 2. The addition of section 3003.19 of the act shall apply to all tax periods beginning after December 31, 2004, and to all other tax periods that are not closed at the effective date of this act.

1 Section 3. This act shall take effect immediately.