

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 969**      Session of  
2007

INTRODUCED BY COSTA, BOSCOLA, STOUT AND FERLO, JUNE 14, 2007

REFERRED TO FINANCE, JUNE 14, 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 provisions relating to imposition of  
11 certain realty transfer taxes.

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

14 Section 1. Section 1101-D of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 July 7, 2005 (P.L.149, No.40), is amended to read:

17 Section 1101-D. Imposition.--(a) The duly constituted  
18 authorities of the following political subdivisions--cities of  
19 the second class, cities of the second class A, cities of the  
20 third class, boroughs, incorporated towns, townships of the  
21 first class, townships of the second class, school districts of  
22 the first class A, school districts of the second class, school

1 districts of the third class and school districts of the fourth  
2 class, in all cases including independent school districts--may,  
3 in their discretion, by ordinance or resolution, for general  
4 revenue purposes, levy, assess and collect or provide for the  
5 levying, assessment and collection of a tax upon a transfer of  
6 real property or an interest in real property within the limits  
7 of the political subdivision, regardless of where the  
8 instruments making the transfers are made, executed or delivered  
9 or where the actual settlements on the transfer take place, to  
10 the extent that the transactions are subject to the tax imposed  
11 by Article XI-C. [A]

12 (b) Except as set forth in subsection (c) or (d), a tax  
13 imposed under this article shall be subject to rate limitations  
14 provided by section 5, section 8 and section 17 of the act of  
15 December 31, 1965 (P.L.1257, No.511), known as "The Local Tax  
16 Enabling Act."

17 (c) The limitations referred to in subsection (b) on the  
18 rate of a tax imposed under this article shall not apply to a  
19 municipality or a school district which has a higher rate of tax  
20 pursuant to any other law.

21 (d) Notwithstanding section 25(1)(ii) and (2)(iii) of the  
22 act of July 7, 2005 (P.L.149, No.40), entitled "An act amending  
23 the act of March 4, 1971 (P.L.6, No.2), entitled 'An act  
24 relating to tax reform and State taxation by codifying and  
25 enumerating certain subjects of taxation and imposing taxes  
26 thereon; providing procedures for the payment, collection,  
27 administration and enforcement thereof; providing for tax  
28 credits in certain cases; conferring powers and imposing duties  
29 upon the Department of Revenue, certain employers, fiduciaries,  
30 individuals, persons, corporations and other entities;

1 prescribing crimes, offenses and penalties,' further providing,  
2 in sales and use tax, for alternate imposition; providing, in  
3 personal income tax, for definitions, for classes of income and  
4 for contributions to the Olympics; providing, in personal income  
5 tax, for contributions for military family relief assistance and  
6 for operational provisions; further providing, in personal  
7 income tax, for additions, penalties and fees; further  
8 providing, in corporate net income tax, for definitions; further  
9 providing, in capital stock franchise tax, for definitions and  
10 reports; further providing, in realty transfer tax, for  
11 determination and notice; providing, in realty transfer tax, for  
12 sharing information; further providing, in local real estate  
13 transfer tax, for imposition and for administration; providing,  
14 in local real estate transfer tax, for regulations, for  
15 documentary stamps, for collection agents, for disbursements,  
16 for proceeds of judicial sale, for failure to affix stamps, for  
17 determination and notice of tax, for liens, for refunds, for  
18 civil penalties, for unlawful acts and penalties and for  
19 information; further providing, in the research and development  
20 tax credit, for definitions and for Pennsylvania S Corporation  
21 pass-through; further providing, in the film production tax  
22 credit, for definitions and for credit for qualified film  
23 production expenses; providing, in the film production tax  
24 credit, for credits; further providing in the film production  
25 tax credit, for disposition and for limitation; providing, in  
26 the film production tax credit, for penalties; further  
27 providing, in the film production tax credit, for pass-through  
28 entities and report; further providing, in the neighborhood  
29 assistance tax credit, for grant; further providing, in general  
30 provisions, for bad checks; providing, in general provisions,

1 for electronic transmissions and for reimbursement for costs of  
2 collection; continuing ordinances and resolutions relating to  
3 real property tax transfers; and making repeals," nothing in  
4 this article shall be construed to prohibit a school district of  
5 the first class A from levying a tax on the transfer of real  
6 property or on an interest in real property at a rate of one per  
7 cent.

8       Section 2. The amendment of section 1101-D of the act is  
9 intended as a clarification of existing law and is not intended  
10 to establish new rights nor enlarge existing rights of political  
11 subdivisions or their employees or agents nor to establish new  
12 obligations nor enlarge existing obligations of taxpayers.

13       Section 3. This act shall take effect immediately.