

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 556 Session of 2015

INTRODUCED BY McILHINNEY, VULAKOVICH, GREENLEAF, SCHWANK, HUGHES, MENSCH, YUDICHAK, RAFFERTY, DINNIMAN AND TOMLINSON, FEBRUARY 25, 2015

SENATOR EICHELBERGER, FINANCE, AS AMENDED, MAY 6, 2015

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," in realty transfer tax, further providing FOR <--
11 DEFINITIONS AND for excluded transactions.

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, is amended~~
16 ~~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 ~~(18.1) A transfer of a conservation easement in perpetuity~~
21 ~~having as its purpose the preservation of open space or~~
22 ~~agricultural land to the United States, the Commonwealth or any~~

1 ~~of their instrumentalities, agencies or political subdivisions~~
2 ~~or a conservancy which possesses a tax exempt status pursuant to~~
3 ~~section 501(c) (3) of the Internal Revenue Code of 1986 (Public~~
4 ~~Law 99-514, 26 U.S.C. § 501(c) (3)) and which has as its primary~~
5 ~~purpose preservation of land for historic, recreational, scenic~~
6 ~~agricultural or open space opportunities.~~

7 * * *

8 SECTION 1. SECTION 1101-C OF THE ACT OF MARCH 4, 1971 <--
9 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED
10 BY ADDING A DEFINITION TO READ:

11 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED
12 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS
13 SECTION:

14 * * *

15 "CONSERVANCY." A CORPORATION OR ASSOCIATION THAT POSSESSES A
16 TAX-EXEMPT STATUS PURSUANT TO SECTION 501(C) (3) OF THE INTERNAL
17 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 501(C) (3))
18 AND WHICH HAS AS ITS PRIMARY PURPOSE PRESERVATION OF LAND FOR
19 HISTORIC, RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN-SPACE
20 OPPORTUNITIES.

21 * * *

22 SECTION 2. SECTION 1102-C.3(18) OF THE ACT, AMENDED MAY 7,
23 1997 (P.L.85, NO.7), IS AMENDED TO READ:

24 SECTION 1102-C.3. EXCLUDED TRANSACTIONS.--THE TAX IMPOSED BY
25 SECTION 1102-C SHALL NOT BE IMPOSED UPON:

26 * * *

27 (18) ANY OF THE FOLLOWING:

28 (I) A TRANSFER TO A CONSERVANCY. [WHICH POSSESSES A TAX-
29 EXEMPT STATUS PURSUANT TO SECTION 501(C) (3) OF THE INTERNAL
30 REVENUE CODE OF 1954 (68A STAT. 3, 26 U.S.C. § 501(C) (3)) AND

1 WHICH HAS AS ITS PRIMARY PURPOSE PRESERVATION OF LAND FOR
2 HISTORIC, RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN-SPACE
3 OPPORTUNITIES; OR A]

4 (II) A TRANSFER FROM [SUCH] A CONSERVANCY TO THE UNITED
5 STATES, THE COMMONWEALTH OR TO ANY OF THEIR INSTRUMENTALITIES,
6 AGENCIES OR POLITICAL SUBDIVISIONS[; OR ANY].

7 (III) A TRANSFER FROM [SUCH] A CONSERVANCY WHERE THE REAL
8 ESTATE IS ENCUMBERED BY A PERPETUAL AGRICULTURAL CONSERVATION
9 EASEMENT AS DEFINED BY THE ACT OF JUNE 30, 1981 (P.L.128,
10 NO.43), KNOWN AS THE "AGRICULTURAL AREA SECURITY LAW," AND SUCH
11 CONSERVANCY HAS OWNED THE REAL ESTATE FOR AT LEAST TWO YEARS
12 IMMEDIATELY PRIOR TO THE TRANSFER.

13 (IV) A TRANSFER OF AN AGRICULTURAL CONSERVATION EASEMENT TO
14 OR FROM THE COMMONWEALTH, A COUNTY, A LOCAL GOVERNMENT UNIT OR A
15 CONSERVANCY UNDER AUTHORITY OF THE "AGRICULTURAL AREA SECURITY
16 LAW."

17 (V) A TRANSFER OF A CONSERVATION EASEMENT OR PRESERVATION
18 EASEMENT UNDER THE ACT OF JUNE 22, 2001 (P.L.390, NO.29), KNOWN
19 AS THE "CONSERVATION AND PRESERVATION EASEMENTS ACT."

20 * * *

21 Section 2 3. This act shall take effect immediately.

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