

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1268 Session of 2024

INTRODUCED BY COLEMAN AND ROTHMAN, JUNE 21, 2024

REFERRED TO FINANCE, JUNE 21, 2024

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," repealing provisions relating to realty transfer  
11 tax; and making editorial changes.

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

14 Section 1. Article XI-C of the act of March 4, 1971 (P.L.6,  
15 No.2), known as the Tax Reform Code of 1971, is repealed:

16 [ARTICLE XI-C

17 REALTY TRANSFER TAX

18 Section 1101-C. Definitions.--The following words when used  
19 in this article shall have the meanings ascribed to them in this  
20 section:

21 "Agricultural production." As defined in section 3 of the  
22 act of June 30, 1981 (P.L.128, No.43), known as the  
23 "Agricultural Area Security Law."

1 "Association." A general partnership, limited partnership,  
2 limited liability partnership or any other form of  
3 unincorporated enterprise, owned or conducted by two or more  
4 persons other than a private trust or decedent's estate.

5 "Conservancy." A corporation or association that possesses a  
6 tax-exempt status pursuant to section 501(c)(3) of the Internal  
7 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3))  
8 and which has as its primary purpose preservation of land for  
9 historic, recreational, scenic, agricultural or open-space  
10 opportunities.

11 "Corporation." A corporation, joint-stock association,  
12 business trust or banking institution which is organized under  
13 the laws of this Commonwealth, the United States, or any other  
14 state, territory, or foreign country, or dependency.

15 "Department." The Department of Revenue of this  
16 Commonwealth.

17 "Document." Any deed, instrument or writing which conveys,  
18 transfers, demises, vests, confirms or evidences any transfer or  
19 demise of title to real estate in this Commonwealth, but does  
20 not include wills, mortgages, deeds of trust or other  
21 instruments of like character given as security for a debt and  
22 deeds of release thereof to the debtor, land contracts whereby  
23 the legal title does not pass to the grantee until the total  
24 consideration specified in the contract has been paid or any  
25 cancellation thereof unless the consideration is payable over a  
26 period of time exceeding thirty years or instruments which  
27 solely grant, vest or confirm a public utility easement.

28 "Document" shall also include a declaration of acquisition  
29 required to be presented for recording under section 1102-C.5 of  
30 this article.

1 "Family farm business." A corporation or association of  
2 which at least seventy-five per cent of its assets are devoted  
3 to the business of agriculture and at least seventy-five per  
4 cent of each class of stock of the corporation or the interests  
5 in the association is continuously owned by members of the same  
6 family. The business of agriculture shall include the leasing to  
7 members of the same family or the leasing to a corporation or  
8 association owned by members of the same family of property  
9 which is directly and principally used for agricultural  
10 purposes. The business of agriculture shall not be deemed to  
11 include:

12 (1) recreational activities such as, but not limited to,  
13 hunting, fishing, camping, skiing, show competition or racing;

14 (2) the raising, breeding or training of game animals or  
15 game birds, fish, cats, dogs or pets or animals intended for use  
16 in sporting or recreational activities;

17 (3) fur farming;

18 (4) stockyard and slaughterhouse operations; or

19 (5) manufacturing or processing operations of any kind.

20 "Living trust." Any trust, other than a business trust,  
21 intended as a will substitute by the settlor which becomes  
22 effective during the lifetime of the settlor, but from which  
23 trust distributions cannot be made to any beneficiaries other  
24 than the settlor prior to the death of the settlor.

25 "Members of the same family." Any individual, such  
26 individual's brothers and sisters, the brothers and sisters of  
27 such individual's parents and grandparents, the ancestors and  
28 lineal descendents of any of the foregoing, a spouse of any of  
29 the foregoing and the estate of any of the foregoing.

30 Individuals related by the half blood or legal adoption shall be

1 treated as if they were related by the whole blood.

2 "Ordinary trust." Any trust, other than a business trust or  
3 a living trust, which takes effect during the lifetime of the  
4 settlor and for which the trustees of the trust take title to  
5 property primarily for the purpose of protecting, managing or  
6 conserving it until distribution to the named beneficiaries of  
7 the trust. An ordinary trust does not include a trust that has  
8 an objective to carry on business and divide gains, nor does it  
9 either expressly or impliedly have any of the following  
10 features: the treatment of beneficiaries as associates, the  
11 treatment of the interests in the trust as personal property,  
12 the free transferability of beneficial interests in the trust,  
13 centralized management by the trustee or the beneficiaries, or  
14 continuity of life.

15 "Person." Every natural person, association, or corporation.  
16 Whenever used in any clause prescribing and imposing a fine or  
17 imprisonment, or both, the term "person" as applied to  
18 associations, shall include the responsible members or general  
19 partners thereof, and as applied to corporations, the officers  
20 thereof.

21 "Qualified beginner farmer." A person that:

22 (1) Has demonstrated experience in the agriculture industry  
23 or related field or has transferable skills as determined by the  
24 Department of Agriculture.

25 (2) Has not received Federal gross income from agricultural  
26 production for more than the ten most recent taxable years.

27 (3) Intends to engage in agricultural production within the  
28 borders of this Commonwealth and to provide the majority of the  
29 labor and management involved in that agricultural production.

30 (4) Has obtained written certification from the Department

1 of Agriculture confirming qualified beginner farmer status.

2 "Real estate."

3 (1) Any lands, tenements or hereditaments, including,  
4 without limitation, buildings, structures, fixtures, mines,  
5 minerals, oil, gas, quarries, spaces with or without upper or  
6 lower boundaries, trees and other improvements, immovables or  
7 interests which by custom, usage or law pass with a conveyance  
8 of land, but excluding permanently attached machinery and  
9 equipment in an industrial plant.

10 (2) A condominium unit.

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

14 "Real estate company." A corporation or association which  
15 meets any of the following:

16 (1) Is primarily engaged in the business of holding, selling  
17 or leasing real estate ninety per cent or more of the ownership  
18 interest in which is held by thirty-five or fewer persons and  
19 which:

20 (i) derives sixty per cent or more of its annual gross  
21 receipts from the ownership or disposition of real estate; or

22 (ii) holds real estate, the value of which comprises ninety  
23 per cent or more of the value of its entire tangible asset  
24 holdings exclusive of tangible assets which are freely  
25 transferable and actively traded on an established market.

26 (2) Ninety per cent or more of the ownership interest in the  
27 corporation or association is held by thirty-five or fewer  
28 persons, and the corporation or association owns, as ninety per  
29 cent or more of the fair market value of its assets, a direct or  
30 indirect interest in a real estate company. An indirect

1 ownership interest is an interest in a corporation or  
2 association, ninety per cent or more of the ownership interest  
3 which is held by thirty-five or fewer persons whose purpose is  
4 the ownership of a real estate company.

5 "Title to real estate."

6 (1) Any interest in real estate which endures for a period  
7 of time, the termination of which is not fixed or ascertained by  
8 a specific number of years, including, without limitation, an  
9 estate in fee simple, life estate or perpetual leasehold; or

10 (2) any interest in real estate enduring for a fixed period  
11 of years but which, either by reason of the length of the term  
12 or the grant of a right to extend the term by renewal or  
13 otherwise, consists of a group of rights approximating those of  
14 an estate in fee simple, life estate or perpetual leasehold,  
15 including, without limitation, a leasehold interest or  
16 possessory interest under a lease or occupancy agreement for a  
17 term of thirty years or more or a leasehold interest or  
18 possessory interest in real estate in which the lessee has  
19 equity.

20 "Transaction." The making, executing, delivering, accepting,  
21 or presenting for recording of a document.

22 "Value."

23 (1) In the case of any bona fide sale of real estate at  
24 arm's length for actual monetary worth, the amount of the actual  
25 consideration therefor, paid or to be paid, including liens or  
26 other encumbrances thereon existing before the transfer and not  
27 removed thereby, whether or not the underlying indebtedness is  
28 assumed, and ground rents, or a commensurate part thereof where  
29 such liens or other encumbrances and ground rents also encumber  
30 or are charged against other real estate: Provided, That where

1 such documents shall set forth a nominal consideration, the  
2 "value" thereof shall be determined from the price set forth in  
3 or actual consideration for the contract of sale;

4 (2) in the case of a gift, sale by execution upon a judgment  
5 or upon the foreclosure of a mortgage by a judicial officer,  
6 transactions without consideration or for consideration less  
7 than the actual monetary worth of the real estate, a taxable  
8 lease, an occupancy agreement, a leasehold or possessory  
9 interest, any exchange of properties, or the real estate of an  
10 acquired company, the actual monetary worth of the real estate  
11 determined by adjusting the assessed value of the real estate  
12 for local real estate tax purposes for the common level ratio of  
13 assessed values to market values of the taxing district as  
14 established by the State Tax Equalization Board, or a  
15 commensurate part of the assessment where the assessment  
16 includes other real estate;

17 (3) in the case of an easement or other interest in real  
18 estate the value of which is not determinable under clause (1)  
19 or (2), the actual monetary worth of such interest; or

20 (4) the actual consideration for or actual monetary worth of  
21 any executory agreement for the construction of buildings,  
22 structures or other permanent improvements to real estate  
23 between the grantor and other persons existing before the  
24 transfer and not removed thereby or between the grantor, the  
25 agent or principal of the grantor or a related corporation,  
26 association or partnership and the grantee existing before or  
27 effective with the transfer.

28 "Veterans' service organization." A not-for-profit  
29 organization that has been chartered by the Congress of the  
30 United States to service veterans or is a member of the State

1 Veterans' Commission under 51 Pa.C.S. Ch. 17 (relating to State  
2 Veterans' Commission and Deputy Adjutant General for Veterans'  
3 Affairs).

4 "Volunteer emergency medical services agency." The term  
5 shall have the same meaning as given to the term "volunteer  
6 ambulance service" in 35 Pa.C.S. § 7802 (relating to  
7 definitions).

8 "Volunteer fire company." As defined in 35 Pa.C.S. § 7802  
9 (relating to definitions).

10 "Volunteer rescue company." As defined in 35 Pa.C.S. § 7802  
11 (relating to definitions).

12 Section 1102-C. Imposition of Tax.--Every person who makes,  
13 executes, delivers, accepts or presents for recording any  
14 document or in whose behalf any document is made, executed,  
15 delivered, accepted or presented for recording, shall be subject  
16 to pay for and in respect to the transaction or any part  
17 thereof, or for or in respect of the vellum parchment or paper  
18 upon which such document is written or printed, a State tax at  
19 the rate of one per cent of the value of the real estate within  
20 this Commonwealth represented by such document, which State tax  
21 shall be payable at the earlier of the time the document is  
22 presented for recording or within thirty days of acceptance of  
23 such document or within thirty days of becoming an acquired  
24 company.

25 Section 1102-C.2. Exempt Parties.--The United States, the  
26 Commonwealth or any of their instrumentalities, agencies or  
27 political subdivisions, or veterans' service organizations shall  
28 be exempt from payment of the tax imposed by this article. The  
29 exemption under this section shall not, however, relieve any  
30 other party to a transaction from liability for the tax.



1 Section 1102-C.3. Excluded Transactions.--The tax imposed by  
2 section 1102-C shall not be imposed upon:

3 (1) A transfer to the Commonwealth or to any of its  
4 instrumentalities, agencies or political subdivisions by gift,  
5 dedication or deed in lieu of condemnation or deed of  
6 confirmation in connection with condemnation proceedings, or a  
7 reconveyance by the condemning body of the property condemned to  
8 the owner of record at the time of condemnation, which  
9 reconveyance may include property line adjustments provided said  
10 reconveyance is made within one year from the date of  
11 condemnation.

12 (2) A document which the Commonwealth is prohibited from  
13 taxing under the Constitution or statutes of the United States.

14 (3) A conveyance to a municipality, township, school  
15 district or county pursuant to acquisition by the municipality,  
16 township, school district or county of a tax delinquent property  
17 at sheriff sale or tax claim bureau sale.

18 (4) A transfer for no or nominal actual consideration which  
19 corrects or confirms a transfer previously recorded, but which  
20 does not extend or limit existing record legal title or  
21 interest.

22 (5) A transfer of division in kind for no or nominal actual  
23 consideration of property passed by testate or intestate  
24 succession and held by cotenants; however, if any of the parties  
25 take shares greater in value than their undivided interest, tax  
26 is due on the excess.

27 (6) A transfer between husband and wife, between persons who  
28 were previously husband and wife who have since been divorced,  
29 provided the property or interest therein subject to such  
30 transfer was acquired by the husband and wife or husband or wife

1 prior to the granting of the final decree in divorce, between  
2 parent and child or the spouse of such child, between a  
3 stepparent and a stepchild or the spouse of the stepchild,  
4 between brother or sister or spouse of a brother or sister and  
5 brother or sister or the spouse of a brother or sister and  
6 between a grandparent and grandchild or the spouse of such  
7 grandchild, except that a subsequent transfer by the grantee  
8 within one year shall be subject to tax as if the grantor were  
9 making such transfer.

10 (7) A transfer for no or nominal actual consideration of  
11 property passing by testate or intestate succession from a  
12 personal representative of a decedent to the decedent's devisee  
13 or heir.

14 (8) A transfer for no or nominal actual consideration to a  
15 trustee of an ordinary trust where the transfer of the same  
16 property would be exempt if the transfer was made directly from  
17 the grantor to all of the possible beneficiaries that are  
18 entitled to receive the property or proceeds from the sale of  
19 the property under the trust, whether or not such beneficiaries  
20 are contingent or specifically named. A trust clause which  
21 identifies the contingent beneficiaries by reference to the  
22 heirs of the trust settlor as determined by the laws of the  
23 intestate succession shall not disqualify a transfer from the  
24 exclusion provided by this clause. No such exemption shall be  
25 granted unless the recorder of deeds is presented with a copy of  
26 the trust instrument that clearly identifies the grantor and all  
27 possible beneficiaries.

28 (8.1) A transfer for no or nominal actual consideration to a  
29 trustee of a living trust from the settlor of the living trust.  
30 No such exemption shall be granted unless the recorder of deeds

1 is presented with a copy of the living trust instrument.

2 (9) A transfer for no or nominal actual consideration from a  
3 trustee of an ordinary trust to a specifically named beneficiary  
4 that is entitled to receive the property under the recorded  
5 trust instrument or to a contingent beneficiary where the  
6 transfer of the same property would be exempt if the transfer  
7 was made by the grantor of the property into the trust to that  
8 beneficiary. However, any transfer of real estate from a living  
9 trust during the settlor's lifetime shall be considered for the  
10 purposes of this article as if such transfer were made directly  
11 from the settlor to the grantee.

12 (9.1) A transfer for no or nominal actual consideration from  
13 a trustee of a living trust after the death of the settlor of  
14 the trust or from a trustee of a trust created pursuant to the  
15 will of a decedent to a beneficiary to whom the property is  
16 devised or bequeathed.

17 (9.2) A transfer for no or nominal actual consideration from  
18 the trustee of a living trust to the settlor of the living trust  
19 if such property was originally conveyed to the trustee by the  
20 settlor.

21 (10) A transfer for no or nominal actual consideration from  
22 trustee to successor trustee.

23 (11) A transfer:

24 (i) for no or nominal actual consideration between principal  
25 and agent or straw party; or

26 (ii) from or to an agent or straw party where, if the agent  
27 or straw party were his principal, no tax would be imposed under  
28 this article.

29 Where the document by which title is acquired by a grantee or  
30 statement of value fails to set forth that the property was

1 acquired by the grantee from, or for the benefit of, his  
2 principal, there is a rebuttable presumption that the property  
3 is the property of the grantee in his individual capacity if the  
4 grantee claims an exemption from taxation under this clause.

5 (12) A transfer made pursuant to the statutory merger or  
6 consolidation of a corporation or statutory division of a  
7 nonprofit corporation, except where the department reasonably  
8 determines that the primary intent for such merger,  
9 consolidation or division is avoidance of the tax imposed by  
10 this article.

11 (13) A transfer from a corporation or association of real  
12 estate held of record in the name of the corporation or  
13 association where the grantee owns stock of the corporation or  
14 an interest in the association in the same proportion as his  
15 interest in or ownership of the real estate being conveyed and  
16 where the stock of the corporation or the interest in the  
17 association has been held by the grantee for more than two  
18 years.

19 (14) A transfer from a nonprofit industrial development  
20 agency or authority to a grantee of property conveyed by the  
21 grantee to that agency or authority as security for a debt of  
22 the grantee or a transfer to a nonprofit industrial development  
23 agency or authority.

24 (15) A transfer from a nonprofit industrial development  
25 agency or authority to a grantee purchasing directly from it,  
26 but only if:

27 (i) the grantee shall directly use such real estate for the  
28 primary purpose of manufacturing, fabricating, compounding,  
29 processing, publishing, research and development,  
30 transportation, energy conversion, energy production, pollution

1 control, warehousing or agriculture; and

2 (ii) the agency or authority has the full ownership interest  
3 in the real estate transferred.

4 (16) A transfer by a mortgagor to the holder of a bona fide  
5 mortgage in default in lieu of a foreclosure or a transfer  
6 pursuant to a judicial sale in which the successful bidder is  
7 the bona fide holder of a mortgage, unless the holder assigns  
8 the bid to another person.

9 (17) Any transfer between religious organizations or other  
10 bodies or persons holding title for a religious organization if  
11 such real estate is not being or has not been used by such  
12 transferor for commercial purposes.

13 (18) Any of the following:

14 (i) A transfer to a conservancy.

15 (ii) A transfer from a conservancy to the United States, the  
16 Commonwealth or to any of their instrumentalities, agencies or  
17 political subdivisions.

18 (iii) A transfer from a conservancy where the real estate is  
19 encumbered by a perpetual agricultural conservation easement as  
20 defined by the act of June 30, 1981 (P.L.128, No.43), known as  
21 the "Agricultural Area Security Law," and such conservancy has  
22 owned the real estate for at least two years immediately prior  
23 to the transfer.

24 (iv) A transfer of an agricultural conservation easement to  
25 or from the Commonwealth, a county, a local government unit or a  
26 conservancy under authority of the "Agricultural Area Security  
27 Law."

28 (v) A transfer of a conservation easement or preservation  
29 easement under the act of June 22, 2001 (P.L.390, No.29), known  
30 as the "Conservation and Preservation Easements Act."

1 (vi) A transfer of a perpetual historic preservation  
2 easement, a perpetual public trail easement or other perpetual  
3 public recreational use easement, a perpetual scenic  
4 preservation easement or a perpetual open-space preservation  
5 easement to or from the United States, the Commonwealth, a  
6 county, a local government unit or a conservancy.

7 (vii) A transfer of real estate that is subject to an  
8 agricultural conservation easement established under authority  
9 of the act of June 30, 1981 (P.L.128, No.43), known as the  
10 "Agricultural Area Security Law," to a qualified beginner  
11 farmer.

12 (19) A transfer of real estate devoted to the business of  
13 agriculture to a family farm business by:

14 (i) a member of the same family which directly owns at least  
15 seventy-five per cent of each class of the stock thereof or the  
16 interests in that family farm business; or

17 (ii) a family farm business, which family directly owns at  
18 least seventy-five per cent of each class of stock thereof or  
19 the interests in that family farm business.

20 (20) A transfer between members of the same family of an  
21 ownership interest in a real estate company or family farm  
22 business that owns real estate.

23 (21) A transaction wherein the tax due is one dollar (\$1) or  
24 less.

25 (22) Leases for the production or extraction of coal, oil,  
26 natural gas or minerals and assignments thereof.

27 In order to exercise any exclusion provided in this section, the  
28 true, full and complete value of the transfer shall be shown on  
29 the statement of value. For leases of coal, oil, natural gas or  
30 minerals, the statement of value may be limited to an

1 explanation of the reason such document is not subject to tax  
2 under this article.

3 (23) A transfer of real estate to or by a volunteer EMS  
4 company, volunteer fire company or volunteer rescue company as  
5 those terms are defined in 35 Pa.C.S. § 7802 (relating to  
6 definitions).

7 (24) A transfer of real estate to or by a land bank. For the  
8 purposes of this clause, the term "land bank" shall have the  
9 same meaning as given to it in 68 Pa.C.S. § 2103 (relating to  
10 definitions).

11 (25) Beginning on or after December 31, 2015, a transfer of  
12 real estate by a housing authority created under the act of May  
13 28, 1937 (P.L.955, No.265), referred to as the Housing  
14 Authorities Law, to a nonprofit organization which is utilizing  
15 the real estate for the purpose of Rental Assistance  
16 Demonstration administered by the United States Department of  
17 Housing and Urban Development under the Consolidated and Further  
18 Continuing Appropriations Act, 2012 (Public Law 112-55, 125  
19 Stat. 552).

20 Section 1102-C.4. Documents Relating to Associations or  
21 Corporations and Members, Partners, Stockholders or Shareholders  
22 Thereof.--Except as otherwise provided in sections 1102-C.3 and  
23 1102-C.5, documents which make, confirm or evidence any transfer  
24 or demise of title to real estate between associations or  
25 corporations and the members, partners, shareholders or  
26 stockholders thereof are fully taxable. For the purposes of this  
27 article, corporations and associations are entities separate  
28 from their members, partners, stockholders or shareholders.

29 Section 1102-C.5. Acquired Company.--(a) A real estate  
30 company is an acquired company upon a change in the ownership

1 interest in the company, however effected, if the change:

2 (1) does not affect the continuity of the company; and

3 (2) of itself or together with prior changes has the effect  
4 of transferring, directly or indirectly, ninety per cent or more  
5 of the total ownership interest in the company within a period  
6 of three years.

7 (3) For the purposes of paragraph (2), a transfer occurs  
8 within a period of three years of another transfer or transfers  
9 if, during the period, the transferring party provides the  
10 transferee a legally binding commitment or option, enforceable  
11 at a future date, to execute the transfer.

12 (b.2) A family farm business is an acquired company when,  
13 because of voluntary or involuntary dissolution, it ceases to be  
14 a family farm business or when, because of the issuance or  
15 transfer of stock in the corporation or transfer of interests in  
16 the association or because of acquisition or transfer of assets  
17 that are devoted to the business of agriculture, it fails to  
18 meet the minimum requirements of a family farm business under  
19 this article.

20 (b.3) The conveyance of assets held by one family farm  
21 business to another family farm business shall not be considered  
22 a transfer of assets under this article if the same individuals  
23 hold at least fifty per cent of the ownership interest in each  
24 family farm business.

25 (c) Within thirty days after becoming an acquired company,  
26 the company shall present a declaration of acquisition with the  
27 recorder of each county in which it holds real estate for the  
28 affixation of documentary stamps and recording. Such declaration  
29 shall set forth the value of real estate holdings of the  
30 acquired company in such county.



1 Section 1102-C.6. Transfer of Tax.--(a) Subject to  
2 subsection (b), beginning July 31, 2019, and each July 31  
3 thereafter, the State Treasurer shall transfer from the General  
4 Fund to the Housing Affordability and Rehabilitation Enhancement  
5 Fund under Article IV-D of the act of December 3, 1959  
6 (P.L.1688, No.621), known as the "Housing Finance Agency Law,"  
7 an amount equal to forty per cent of the difference between:

8 (1) the total amount of the tax imposed under section 1102-C  
9 and collected by the Commonwealth for the prior fiscal year; and

10 (2) the total dollar amount of such tax estimated for the  
11 fiscal year beginning July 1, 2014, and as contained in the  
12 final estimate signed by the Governor for that fiscal year as  
13 required by section 618 of the act of April 9, 1929 (P.L.177,  
14 No.175), known as "The Administrative Code of 1929."

15 (b) The amount transferred under subsection (a) may not  
16 exceed the following:

17 (1) For each fiscal year beginning after June 30, 2019, and  
18 ending prior to July 1, 2023, forty million dollars  
19 (\$40,000,000).

20 (2) For the fiscal year beginning July 1, 2023, and each  
21 fiscal year thereafter, sixty million dollars (\$60,000,000).

22 (c) Nothing in this section shall be construed to reduce or  
23 prohibit increased funding for the Housing Affordability and  
24 Rehabilitation Enhancement Fund or the Keystone Recreation, Park  
25 and Conservation Fund as provided in the "Housing Finance Agency  
26 Law" or other law.

27 Section 1103-C. Credits Against Tax.--(a) Where there is a  
28 transfer of a residential property by a licensed real estate  
29 broker which property was transferred to him within the  
30 preceding year as consideration for the purchase of other

1 residential property, a credit for the amount of the tax paid at  
2 the time of the transfer to him shall be given to him toward the  
3 amount of the tax due upon the transfer.

4 (b) Where there is a transfer by a builder of residential  
5 property which was transferred to the builder within the  
6 preceding year as consideration for the purchase of new,  
7 previously unoccupied residential property, a credit for the  
8 amount of the tax paid at the time of the transfer to the  
9 builder shall be given to the builder toward the amount of the  
10 tax due upon the transfer.

11 (c) Where there is a transfer of real estate which is  
12 demised by the grantor, a credit for the amount of tax paid at  
13 the time of the demise shall be given the grantor toward the tax  
14 due upon the transfer.

15 (d) Where there is a conveyance by deed of real estate which  
16 was previously sold under a land contract by the grantor, a  
17 credit for the amount of tax paid at the time of the sale shall  
18 be given the grantor toward the tax due upon the deed.

19 (e) If the tax due upon the transfer is greater than the  
20 credit given under this section, the difference shall be paid.  
21 If the credit allowed is greater than the amount of tax due, no  
22 refund or carryover credit shall be allowed.

23 Section 1103-C.1. Extension of Lease.--In determining the  
24 term of a lease, it shall be presumed that a right or option to  
25 renew or extend a lease will be exercised if the rental charge  
26 to the lessee is fixed or if a method for calculating the rental  
27 charge is established.

28 Section 1104-C. Proceeds of Judicial Sale.--The tax herein  
29 imposed shall be fully paid, and have priority out of the  
30 proceeds of any judicial sale of real estate before any other

1 obligation, claim, lien, judgment, estate or costs of the sale  
2 and of the writ upon which the sale is made, and the sheriff, or  
3 other officer, conducting said sale, shall pay the tax herein  
4 imposed out of the first moneys paid to him in connection  
5 therewith. If the proceeds of the sale are insufficient to pay  
6 the entire tax herein imposed, the purchaser shall be liable for  
7 the remaining tax.

8 Section 1105-C. Documentary Stamps.--(a) The payment of the  
9 tax imposed by this article shall be evidenced by the affixing  
10 of a documentary stamp or stamps to every document by the person  
11 making, executing, delivering or presenting for recording such  
12 document. Such stamps shall be affixed in such manner that their  
13 removal will require the continued application of steam or  
14 water, and the person using or affixing such stamps shall write  
15 or stamp or cause to be written or stamped thereon the initials  
16 of his name and the date upon which such stamps are affixed or  
17 used so that such stamps may not again be used: Provided, That  
18 the department may prescribe such other method of cancellation  
19 as it may deem expedient.

20 (b) The use of documentary license meter impressions or  
21 similar indicia of payment in lieu of stamps as required by this  
22 article may be permitted in the discretion of the department.

23 Section 1106-C. Stamps, Commissions, Payments and  
24 Transfers.--(a) The department shall prescribe, prepare and  
25 furnish stamps to each recorder of deeds, of such denominations  
26 and quantities as may be necessary, for the payment of the tax  
27 imposed and assessed by this article.

28 (b) The department shall allow each county a commission  
29 equal to one per cent of the face value of the stamps sold or  
30 two hundred fifty dollars (\$250) whichever is greater. The

1 recorder of deeds shall pay the commission herein allowed to the  
2 general fund of the county. The department shall pay the premium  
3 or premiums on any bond or bonds required by law to be procured  
4 by recorder of deeds for the performance of their duties under  
5 this article.

6 (c) All moneys paid in accordance with this article shall be  
7 credited to the General Fund.

8 (d) At the end of each month, the State Treasurer shall  
9 transfer from the General Fund to the Keystone Recreation, Park  
10 and Conservation Fund an amount equal to the tax credited to the  
11 General Fund under subsection (c) for the previous month  
12 multiplied by the applicable transfer factor. The applicable  
13 transfer factor for each month shall be as follows:

14	Month	Transfer Factor
15	July 1994 through	
16	December 2001	0.15
17	January 2002 through	
18	June 2002	0.10
19	July 2002 through	
20	June 2003	0.075
21	July 2003 through	
22	June 2006	0.15
23	July 2006 through	
24	June 2007	0.021
25	July 2007 and each	
26	month thereafter	0.15

27 Section 1107-C. Enforcement; Rules and Regulations.--The  
28 department is hereby charged with the enforcement of the  
29 provisions of this article and is hereby authorized and  
30 empowered to prescribe, adopt, promulgate and enforce rules and

1 regulations relating to:

2 (1) The method and means to be used in affixing or  
3 cancelling of stamps in substitution for or in addition to the  
4 method and means provided in this article.

5 (2) The denominations and sale of stamps.

6 (3) Any other matter or thing pertaining to the  
7 administration and enforcement of the provisions of this  
8 article.

9 Section 1108-C. Failure to Affix Stamps.--No document upon  
10 which tax is imposed by this article shall at any time be made  
11 the basis of any action or other legal proceeding, nor shall  
12 proof thereof be offered or received in evidence in any court of  
13 this Commonwealth, or recorded in the office of any recorder of  
14 deeds of any county of this Commonwealth, unless a documentary  
15 stamp or stamps as provided in this article have been affixed  
16 thereto.

17 Section 1109-C. Statement of Value; Penalty.--(a) Every  
18 document lodged with or presented to any recorder of deeds in  
19 this Commonwealth for recording, shall set forth therein and as  
20 a part of such document the true, full and complete value  
21 thereof, or shall be accompanied by a statement of value  
22 executed by a responsible person connected with the transaction  
23 showing such connection and setting forth the true, full and  
24 complete value thereof or the reason, if any, why such document  
25 is not subject to tax under this article. The provisions of this  
26 subsection shall not apply to any excludable real estate  
27 transfers which are exempt from taxation based on family  
28 relationship. Other documents presented for the affixation of  
29 stamps shall be accompanied by a certified copy of the document  
30 and statement of value executed by a responsible person

1 connected with the transaction showing such connection and  
2 setting forth the true, full and complete value thereof or the  
3 reason, if any, why such document is not subject to tax under  
4 this article.

5 (b) Any recorder of deeds who shall record any document upon  
6 which tax is imposed by this article without the proper  
7 documentary stamp or stamps affixed thereto as required by this  
8 article as is indicated in such document or accompanying  
9 statement of value shall, upon summary conviction, be sentenced  
10 to pay a fine of fifty dollars (\$50) and costs of prosecution,  
11 and in default of payment thereof, undergo imprisonment for not  
12 more than thirty days.

13 Section 1109-C.1. Civil Penalties.--(a) If any part of any  
14 underpayment of tax imposed by this article is due to fraud,  
15 there shall be added to the tax an amount equal to fifty per  
16 cent of the underpayment.

17 (b) In the case of failure to record a declaration required  
18 under this article on the date prescribed therefor, unless it is  
19 shown that such failure is due to reasonable cause, there shall  
20 be added to the tax five per cent of the amount of such tax if  
21 the failure is for not more than one month, with an additional  
22 five per cent for each additional month or fraction thereof  
23 during which such failure continues, not exceeding fifty per  
24 cent in the aggregate.

25 Section 1110-C. Unlawful Acts; Penalty.--(a) It shall be  
26 unlawful for any person to:

27 (1) accept or present for recording or cause to be accepted  
28 or presented for recording any document, without the full amount  
29 of tax thereon being duly paid; or,

30 (2) make use of any documentary stamp to denote payment of

1 any tax imposed by this article without cancelling such stamp as  
2 required by this article or as prescribed by the department; or,  
3 (3) fail, neglect or refuse to comply with or violate the  
4 rules and regulations prescribed, adopted and promulgated by the  
5 department under the provisions of this article.  
6 (b) Any person violating any of the provisions of subsection  
7 (a) shall be guilty of a summary offense.  
8 (c) It shall be unlawful for any person to:  
9 (1) fraudulently cut, tear or remove from a document any  
10 documentary stamp; or,  
11 (2) fraudulently affix to any document upon which tax is  
12 imposed by this article any documentary stamp which has been  
13 cut, torn or removed from any other document upon which tax is  
14 imposed by this article, or any documentary stamp of  
15 insufficient value, or any forged or counterfeited stamp, or any  
16 impression of any forged or counterfeited stamp, die, plate or  
17 other article; or,  
18 (3) wilfully remove or alter the cancellation marks of any  
19 documentary stamp, or restore any such documentary stamp, with  
20 intent to use or cause the same to be used after it has already  
21 been used, or knowingly buy, sell, offer for sale, or give away  
22 any such altered or restored stamp to any person for use, or  
23 knowingly use the same; or,  
24 (4) knowingly have in his possession any altered or restored  
25 documentary stamp which has been removed from any document upon  
26 which tax is imposed by this article: Provided, That the  
27 possession of such stamps shall be prima facie evidence of an  
28 intent to violate the provisions of this clause; or,  
29 (5) knowingly or wilfully prepare, keep, sell, offer for  
30 sale, or have in his possession, any forged or counterfeited

1 documentary stamps.

2 (d) Any person violating any of the provisions of subsection  
3 (c) shall be guilty of a misdemeanor of the second degree.

4 (e) A person who makes a false statement of value or  
5 declaration of acquisition, when he does not believe the  
6 statement or declaration to be true, is guilty of a misdemeanor  
7 of the second degree.

8 Section 1111-C. Assessment and Notice of Tax; Review.--(a)  
9 If any person shall fail to pay any tax imposed by this article  
10 for which he is liable, the department is hereby authorized and  
11 empowered to make an assessment of additional tax and interest  
12 due by such person based upon any information within its  
13 possession or that shall come into its possession. All of such  
14 assessments shall be made within three years after the date of  
15 the recording of the document, subject to the following:

16 (1) If the taxpayer underpays the correct amount of the tax  
17 by twenty-five per cent or more, the tax may be assessed at any  
18 time within six years after the date of the recording of the  
19 document.

20 (2) If any part of an underpayment of tax is due to fraud or  
21 an undisclosed, intentional disregard of rules and regulations,  
22 the full amount of the tax may be assessed at any time.

23 (b) Promptly after the date of such assessment, the  
24 department shall send a copy thereof, including the basis of the  
25 assessment, to the person against whom it was made. Any taxpayer  
26 against whom an assessment is made may petition the department  
27 for a reassessment pursuant to Article XXVII.

28 Section 1112-C. Lien.--(a) Any tax determined to be due by  
29 the department and remaining unpaid after demand for the same,  
30 and all penalties and interest thereon, shall be a lien in favor



1 of the Commonwealth upon the property, both real and personal,  
2 of such person but only after said lien has been entered and  
3 docketed of record by the prothonotary of the county where such  
4 property is situated.

5 (a.1) At any time after it makes an assessment of additional  
6 tax, penalty or interest, the department may transmit to the  
7 prothonotaries of the respective counties certified copies of  
8 all liens for such taxes, penalties and interest, and it shall  
9 be the duty of each prothonotary receiving the lien to enter and  
10 docket the same of record in his office, which lien shall be  
11 indexed as judgments are now indexed. After the department's  
12 assessment becomes final, a writ of execution may directly issue  
13 upon such lien without the issuance and prosecution to judgment  
14 of a writ of scire facias: Provided, That not less than ten days  
15 before issuance of any execution on the lien, notice shall be  
16 sent by certified mail to the taxpayer at his last known post  
17 office address. No prothonotary shall require as a condition  
18 precedent to the entry of such liens, the payment of any costs  
19 incident thereto.

20 (b) The lien imposed hereunder shall have priority from the  
21 date of its recording as aforesaid, and shall be fully paid and  
22 satisfied out of the proceeds of any judicial sale of property  
23 subject thereto before any other obligation, judgment, claim,  
24 lien or estate to which said property may subsequently become  
25 subject, except costs of the sale and of the writ upon which the  
26 sale was made, and real estate taxes and municipal claims  
27 against such property, but shall be subordinate to mortgages and  
28 other liens existing and duly recorded or entered of record  
29 prior to the recording of the tax lien. In the case of a  
30 judicial sale of property subject to a lien imposed hereunder

1 upon a lien or claim over which the lien imposed hereunder has  
2 priority, as aforesaid, such sale shall discharge the lien  
3 imposed hereunder to the extent only that the proceeds are  
4 applied to its payment, and such lien shall continue in full  
5 force and effect as to the balance remaining unpaid.

6 (c) The lien imposed hereunder shall continue for five years  
7 from the date of its entry of record, and may be renewed and  
8 continued in the manner now or hereafter provided for the  
9 renewal of judgments, or as may be provided in the act of April  
10 9, 1929 (P.L.343, No.176), known as "The Fiscal Code."

11 Section 1113-C. Refunds.--(a) Whenever the amount due upon  
12 assessment or review is less than the amount paid to the  
13 department on account thereof, the department shall enter a  
14 credit in the amount of such difference to the account of the  
15 person who paid the tax.

16 (b) Where there has been no assessment of unpaid tax, the  
17 department shall have the power, and its duty shall be, to hear  
18 and decide any application for refund and, upon the allowance of  
19 such application, to enter a credit in the amount of the  
20 overpayment to the account of the person who paid the tax. Such  
21 application must be filed under Article XXVII.

22 Section 1114-C. Sharing Information.--Notwithstanding the  
23 provisions of any other act, the department may divulge to the  
24 proper officer of a political subdivision imposing a local real  
25 estate transfer tax, or the authorized representative of that  
26 officer, information gained pursuant to the department's  
27 administration or collection respecting the collection of realty  
28 transfer tax under this article.]

29 Section 2. Sections 1101-D, 1102-D, 1103-D(a) and 1110-D(b)  
30 (1) and (d) of the act are amended to read:

1 Section 1101-D. Imposition.--The duly constituted  
2 authorities of the following political subdivisions--cities of  
3 the second class, cities of the second class A, cities of the  
4 third class, boroughs, incorporated towns, townships of the  
5 first class, townships of the second class, school districts of  
6 the first class A, school districts of the second class, school  
7 districts of the third class and school districts of the fourth  
8 class, in all cases including independent school districts--may,  
9 in their discretion, by ordinance or resolution, for general  
10 revenue purposes, levy, assess and collect or provide for the  
11 levying, assessment and collection of a tax upon a transfer of  
12 real property or an interest in real property within the limits  
13 of the political subdivision, regardless of where the  
14 instruments making the transfers are made, executed or delivered  
15 or where the actual settlements on the transfer take place[, to  
16 the extent that the transactions are subject to the tax imposed  
17 by Article XI-C]. A tax imposed under this article shall be  
18 subject to rate limitations provided by section 5, section 8 and  
19 section 17 of the act of December 31, 1965 (P.L.1257, No.511),  
20 known as "The Local Tax Enabling Act."

21 Section 1102-D. Administration.--(a) The tax authorized  
22 under this article shall be administered, collected and enforced  
23 under the act of December 31, 1965 (P.L.1257, No.511), known as  
24 "The Local Tax Enabling Act," provided, however, that, if the  
25 correct amount of the tax is not paid by the last date  
26 prescribed for timely payment [as provided for in section 1102-  
27 C], the department may determine the tax, interest and penalty  
28 as provided for in section 1109-D [and may collect and enforce  
29 the tax, interest and penalty in the same manner as tax,  
30 interest and penalty imposed by Article XI-C].

1 [(b) Whenever a declaration is required to be filed under  
2 Article XI-C, a declaration is also required to be filed under  
3 this article.]

4 Section 1103-D. Regulations.--[(a) The regulations  
5 promulgated under Article XI-C shall be applicable to the taxes  
6 imposed under this article.]

7 \* \* \*

8 Section 1110-D. Lien.--\* \* \*

9 (b) (1) At any time after it makes a determination of  
10 additional tax, penalty or interest under this article, the  
11 department may transmit to the prothonotaries of the respective  
12 counties certified copies of all liens for the taxes, penalties  
13 and interest under this article [or copies of all liens under  
14 Article XI-C and this article] on a single form.

15 \* \* \*

16 [(d) A lien imposed under this article shall be equal in  
17 priority to the lien imposed under Article XI-C.]

18 Section 3. The Department of Revenue may promulgate  
19 regulations as necessary to implement this act.

20 Section 4. This act shall apply to taxable years beginning  
21 after December 31, 2024.

22 Section 5. This act shall take effect immediately.