

No. 1980-176

AN ACT

HB 1609

Amending the act of December 27, 1951 (P.L.1742, No.467), entitled, as amended, "An act to provide revenue by imposing a State tax relating to certain documents and transactions; prescribing and regulating the method and manner of evidencing the payment of such tax; conferring powers and imposing duties upon certain persons, partnerships, associations, and corporations, sheriffs, recorders of deeds, and the Department of Revenue; saving certain State and local taxes and authorizing amendments, extensions and supplements to the ordinances and resolutions relating thereto; and providing penalties," excluding transfers between grandparents and grandchildren or the spouse of such grandchild and eliminating the requirement of affidavits of value in certain exemption transfers.

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

Section 1. The definition of "document" in section 2, act of December 27, 1951 (P.L.1742, No.467), known as "The Realty Transfer Tax Act," reenacted and amended February 9, 1961 (P.L.13, No.9) and amended October 5, 1978 (P.L.1083, No.253), is amended to read:

Section 2. The following words when used in this act shall have meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

* * *

"Document." Any deed, instrument or writing whereby any lands, tenements or hereditaments within this Commonwealth or any interest therein shall be quitclaimed, granted, bargained, sold, or otherwise conveyed to the grantee, purchaser, or any other person, but does not include wills, mortgages, transfers between corporations operating housing projects pursuant to the Housing and Redevelopment Assistance Law and the shareholders thereof, transfers between nonprofit industrial development agencies and industrial corporations purchasing from them, any transfers to nonprofit industrial development agencies, and transfers between husband and wife, transfers between persons who were previously husband and wife but who have since been divorced provided such transfer is made within three months of the date of the granting of the final decree in divorce, and the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, transfers between parent and child or the spouse of such a child or between parent and trustee for the benefit of a child or the spouse of such child, *transfers between a grandparent and grandchild or the spouse of such grandchild*, by and between a principal and straw party for the purpose of placing a mortgage or

ground rent upon the premises, correctional deeds without consideration, transfers to the United States, the Commonwealth of Pennsylvania, or to any of their instrumentalities, agencies or political subdivisions, by gift, dedication or deed in lieu of condemnation, or deed of confirmation in connection with condemnation proceedings, or reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation which reconveyance may include property line adjustments provided said reconveyance is made within one year from the date of condemnation, leases, a conveyance to a trustee under a recorded trust agreement for the express purpose of holding title in trust as security for a debt contracted at the time of the conveyance under which the trustee is not the lender and requiring the trustee to make reconveyance to the grantor-borrower upon the repayment of the debt, or a transfer by the owner of previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises is taken in trade by such builder as part of the consideration from the purchaser of a new previously unoccupied residential premises or any transfer from a purchase money mortgagor to the vendor holding the purchase money mortgage whether pursuant to a foreclosure or in lieu thereof, or conveyances to municipalities, townships, school districts and counties pursuant to acquisition by municipalities, townships, school districts and counties of tax delinquent properties at sheriff sale or tax claim bureau, or any transfer between religious organizations or other bodies or persons holding title to real estate for a religious organization if such real estate is not being or has not been used by such transferor for commercial purposes, or in any sheriff sale instituted by a mortgagee in which the purchaser of said sheriff sale is the mortgagee who instituted said sale.

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Section 2. Section 9 of the act is amended to read:

Section 9. (a) Every document when lodged with or presented to any recorder of deeds in this Commonwealth for recording, shall set forth therein and as a part of such document the true, full and complete value thereof, or shall be accompanied by an affidavit executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this act. *The provisions of this subsection shall not apply to any real estate transfers which are exempt from taxation based on family relationship.*

(b) Any recorder of deeds who shall record any document upon which tax is imposed by this act without the proper documentary stamp or stamps affixed thereto as required by this act as is indicated in such document or accompanying affidavit, shall, upon summary conviction before any magistrate, alderman or justice of the peace, or other officer having the powers of a committing magistrate, be

sentenced to pay a fine of fifty dollars (\$50.00) and costs of prosecution, and in default of payment thereof, undergo imprisonment for not more than thirty (30) days: Provided, That when any document shall have been recorded, it shall be presumed that all requirements of law affecting the title to any real property conveyed thereby have been complied with.

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

APPROVED—The 16th day of October, A. D. 1980.

DICK THORNBURGH