IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Eugene A. Nicholas, Nicholas Meat, LLC and Nicholas Transportation, LLC	:	
v.	:	No. 373 C.D. 2025
	:	Argued: May 12, 2026
Keystone Central School District	:	
Appeal of: Nicholas Meat, LLC	:	

BEFORE: HONORABLE PATRICIA A. McCULLOUGH, Judge
HONORABLE MICHAEL H. WOJCIK, Judge
HONORABLE MATTHEW S. WOLF, Judge

OPINION BY JUDGE WOJCIK FILED: August 17, 2026

Nicholas Meat, LLC (Taxpayer) appeals from the Clinton County Court of Common Pleas' (trial court) February 19, 2025 order confirming the Keystone Central School District (District) Board of Directors' (School Board) Business Privilege Tax (BPT) assessment against it for tax years 2014-2020. Taxpayer argues that its beef-processing operation qualifies for the manufacturing exclusion under the Local Tax Enabling Act[1] (LTEA) and, therefore, its receipts are not taxable. Taxpayer also contends that the District's application of the BPT violates Pennsylvania's Uniformity Clause, Pa. Const. art. 8, §1, as applied to similarly situated food producers. Also before the Court is the District's "Motion to Dismiss Appeal for Failure to Preserve Questions Below" (Motion to Dismiss) because Taxpayer did not file post-trial motions pursuant to Pennsylvania Rule of Civil

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[1] Act of December 31, 1965, P.L. 1257, *as amended*, 53 P.S. §§6924.101 - 6924.901.

Procedure (Rule) 227.1, Pa.R.Civ.P. 227.1. Upon review, we affirm the order of the trial court and deny the Motion to Dismiss.

I. Background

Taxpayer operates a large-scale, 130,000+ square-foot beef-processing facility in Logantown, Pennsylvania, which employs approximately 425 workers. The operation processes between 250 and 650 cattle per day through a 12-step workflow, including receiving and sorting live cattle; stunning; exsanguination using the rinse and chill method; hide, head, and organ removal; evisceration; carcass cooling; fabrication into primals/subprimals; offal processing; packaging; and distribution. Processing from live animal to boxed meat product takes roughly 24 hours. Taxpayer sells its products nationwide and exports them to 26 countries.

The District audited Taxpayer and two related businesses – Eugene Nicholas (d/b/a Nicholas Livestock and Nicholas Farms) and Nicholas Transportation, LLC ("Nicholas Transportation") (collectively, related businesses) and issued audit notices assessing a BPT for tax years 2014-2022 of over $1.5 million. Taxpayer requested a tax determination on the basis it was a manufacturer and thereby qualified for exclusion from the BPT under the LTEA and the District's BPT Code and Regulations. The School Board denied the request for manufacturer exclusion and issued the BPT assessment. Taxpayer and related businesses filed administrative appeals, which the School Board denied in October 2022.

Taxpayer and related entities timely filed an appeal with the trial court seeking *de novo* review under Section 8434 of the Local Taxpayers Bill of Rights Act (LTBRA), 53 Pa. C.S. §8434. Therein, Taxpayer claimed it was a manufacturer and raised an as-applied Uniformity Clause challenge. The trial court conducted a three-day, non-jury trial. Based on the evidence and arguments presented, the trial court found that Taxpayer was not a "manufacturer." The trial court determined that Taxpayer applies labor and skill but does not substantially transform the original material into a "new, different, and useful article," and therefore does not manufacture under the LTEA. Relying on Pennsylvania Supreme Court precedent involving meatpackers, the trial court concluded that Taxpayer's operations "start and end with beef." Trial Court Op., 2/19/25, at 80. As for Taxpayer's asserted unequal tax treatment claim, the trial court rejected Taxpayer's argument that it was akin to a large-scale bakery (the example provided in the regulations) and ultimately found no evidence of deliberate or purposeful discrimination. Thus, by opinion and order dated February 19, 2025, the trial court affirmed the BPT assessment against Taxpayer. As for the related businesses, the trial court vacated the BPT assessment against Eugene Nicholas and stayed the BPT assessment against Nicholas Transportation and remanded to the School Board for additional audit and recalculation. From this decision, Taxpayer alone[2] appealed to this Court on March 20, 2025.[3] The District then moved to dismiss the appeal for failure to file a post-trial motion, which Taxpayer answered. By order of this Court dated May 21, 2025, we directed the Motion to Dismiss and Answer to be considered with the merits of the appeal.

[2] Related businesses have chosen not to participate here, having each filed a "Notice of No Interest in the Outcome of Appeal."

[3] Where the trial court takes additional evidence in its *de novo* review of a tax assessment appeal, our review is limited to determining whether the trial court abused its discretion or committed an error of law, or whether its decision is supported by substantial evidence. *Coatesville Area School District v. Chester County Board of Assessment Appeals*, 323 A.3d 61, 74 (Pa. Cmwlth. 2024).

II. Issues

On appeal, Taxpayer contends that the trial court erred in affirming the District's imposition of BPT to its operation. First, Taxpayer maintains that its operation meets the LTEA manufacturing exclusion and the District's BPT Code/Regulations because labor and skill are applied to transform live cattle into new, different, and useful merchantable food products. Second, Taxpayer argues that the District's assessment and enforcement scheme, as applied, violates Pennsylvania's Uniformity Clause by imposing substantially unequal burdens on a similarly situated large-scale food manufacturer described in the District's own BPT Regulations. The parties also dispute whether Taxpayer was required to file a post-trial motion under Rule 227.1(g) to preserve issues for appellate review, a procedural challenge the District advanced in its Motion to Dismiss. We begin by addressing the District's Motion to Dismiss.

III. Discussion

A. Motion to Dismiss

The District argues that this is not a statutory appeal but a civil action governed by the Rules of Civil Procedure, as evidenced by discovery, motions, and summary judgment practice. Under Rule 227.1, Taxpayer was required to file a post-trial motion to preserve issues. Having failed to file a post-trial motion, the District argues that all issues are waived. On this basis, the District moves for dismissal of Taxpayer's appeal.

Taxpayer defends that the appeal is a statutory appeal from a local agency decision under Section 8434 of the LTBRA, 53 Pa. C.S. §8434, and Section 933(a)(2) of the Judicial Code, 42 Pa. C.S. §933(a)(2). Rule 227.1(g) expressly prohibits post-trial motions in such appeals. Because the rule prohibits filing a post-trial motion, Taxpayer did not waive any issues by not filing one.

Rule 227.1(g) provides: "A motion for post-trial relief may not be filed in an appeal from the final adjudication or determination of a local agency … as to which jurisdiction is vested in the courts of common pleas." Pa.R.Civ.P. 227.1(g). Thus, the waiver inquiry turns on a single threshold question of whether Taxpayer's trial court proceeding was an appeal from a "final adjudication or determination of a local agency" within the meaning of Rule 227.1(g).

Section 8434 of the LTBRA, 53 Pa. C.S. §8434, provides that any taxpayer aggrieved by "a decision of a local taxing authority or governing body" may appeal to the court vested with jurisdiction over local tax appeals, which is the court of common pleas pursuant to Section 933(a)(2) of the Judicial Code, 42 Pa. C.S. §933(a)(2). In turn, Section 933(a)(2) of the Judicial Code grants the common pleas courts jurisdiction over appeals from "final orders of government agencies . . . under the Local Agency Law[4] *or otherwise*." 42 Pa. C.S. §933(a)(2) (emphasis added). The phrase "or otherwise" makes clear that a statutory appeal may originate outside the Local Agency Law framework while still being an appeal from a local governmental body.

For example, the Right-to-Know Law[5] (RTKL), like the LTBRA, creates a self-contained administrative appeal mechanism beginning with an agency decision, followed by a statutory right to petition the court of common pleas for review. And like the LTBRA, the RTKL expressly provides that RTKL appeals are not governed by "[Administrative Agency Law[6]] (relating to administrative law and procedure)," yet courts consistently treat RTKL petitions for review as "statutory appeals" from a local agency determination for purposes of Rule 227.1(g). Section

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[4] 2 Pa. C.S. §§551-555, 751-754.

[5] Act of February 14, 2008, P.L. 6, 65 P.S. §§67.101-67.3104.

[6] 2 Pa. C.S. §§501-508, 701-704.

1309 of the RTKL, 65 P.S. §1309; *see Bowling v. Office of Open Records*, 75 A.3d 453, 460 (Pa. 2013); *Allegheny County Department of Administrative Services v. A Second Chance, Inc.*, 13 A.3d 1025, 1032-33 (Pa. Cmwlth. 2011); *see also Appeal of Borough of Churchill*, 575 A.2d 550, 554 (Pa. 1990) (holding statutory appeals are not governed by the Rules of Civil Procedure). This is because, notwithstanding the exclusion from the Administrative Agency Law, an RTKL proceeding remains an appeal from a final determination of a local agency, brought under jurisdiction conferred by Section 933(a)(2) of the Judicial Code, 42 Pa. C.S. §933(a)(2). In those cases, trial courts conduct *de novo* or modified *de novo* review on an administrative record, issue findings of fact, and conclusions of law. Critically, post-trial motions are not required because Rule 227.1(g) squarely prohibits them in statutory appeals of this type.

The LTBRA follows a similar structural model. The LTBRA begins with a taxpayer's administrative petition before a local taxing authority, results in a final adjudication by that local agency, and provides a statutory right of appeal to the court of common pleas under Section 8434 of LTBRA, which in turn operates through the same jurisdictional hook in Section 933(a)(2). Just as in RTKL appeals, the absence of Local Agency Law procedures does not transform the proceeding into an ordinary civil action. The essential character of the matter remains an appeal from a final agency determination. The fact that the trial court may receive evidence, make findings of fact, or employ certain civil-procedure tools does not alter that classification. Thus, the present appeal falls squarely within Rule 227.1(g)'s prohibition, and a post-trial motion was not required to preserve issues for appellate review. We, therefore, deny the District's Motion to Dismiss and address Taxpayer's issues raised on appeal.

B. Manufacturing Exclusion

Taxpayer argues the trial court erred in determining it does not meet the manufacturing exclusion and misapplying outdated meatpacking precedent rooted in early-20th-century branch-house operations that did not slaughter animals on-site. Taxpayer contends it satisfies both elements necessary for the manufacturing exclusion that Pennsylvania courts apply: the "labor and skill" element (undisputed) and the "substantial transformation" element (disputed). Taxpayer explains that its operation begins with live, sentient animals, not carcasses, making it fundamentally different from the "dead carcass" cases. *See Commonwealth v. Weiland Packing Co.*, 141 A. 148 (Pa. 1928); *Armour & Co. v. City of Pittsburgh*, 69 A.2d 405 (Pa. 1949). Taxpayer performs a substantial transformation from a live animal with multiple potential uses to packaged edible beef products and offal. This operation is not merely "processing" or "disassembly." Taxpayer also argues that analogous food-production cases show that transforming raw agricultural inputs into consumable food is manufacturing. The District wrongly insists on a "combination of raw materials" requirement, which Pennsylvania appellate courts have repeatedly rejected. Therefore, Taxpayer qualifies as a manufacturer and its receipts should be exempt.

Section 301.1(f)(4) of the LTEA provides that local authorities shall not have the authority:

> To levy, assess and collect a tax on goods and articles manufactured in such political subdivision or on the by-products of manufacture, or on minerals, timber, natural resources and farm products produced in such political subdivision or on the preparation or processing thereof for use or market, or on any privilege, act or transaction related to the business of manufacturing, the production,

> preparation or processing of minerals, timber and natural resources, or farm products, by manufacturers, by producers and by farmers with respect to the goods, articles and products of their own manufacture, production or growth, or on any privilege, act or transaction relating to the business of processing by-products of manufacture, or on the transportation, loading, unloading or dumping or storage of such goods, articles, products or by-products; except that local authorities may levy, assess and collect a local services tax and taxes on the occupation, per capita and earned income or net profits of natural persons engaged in the above activities whether doing business as individual proprietorship or as members of partnerships or other associations[.]

53 P.S. §6924.301.1(f)(4). Section 3(C)(6) of the District's BPT Code similarly contains a tax exclusion for "Production and Manufacture." Reproduced Record (R.R.) at 1707a. The District's regulations define "manufacturing" as

> the application of labor and skill to material whereby the original article is changed into a new, different, and useful article. Whether or not an article is a manufactured product depends upon whether or not it has gone through a substantial transformation in form, qualities and adaptability in use from the original material, so that a new article or creation has emerged.

R.R. at 1727a.

In Pennsylvania, "for a business to be classified as a manufacturer, it must meet two criteria: (1) skill, labor and science must be involved; and (2) a new, different and useful product must be created." *Township of Muhlenberg v. Clover Farms Dairy Co.*, 665 A.2d 544, 547 (Pa. Cmwlth. 1995); *accord Commonwealth v. Deitch Co.*, 295 A.2d 834, 837 (Pa. 1972); *Commonwealth v. Berlo Vending Co.*, 202 A.2d 94, 96 (Pa. 1964). "Whether an activity is manufacturing within the meaning of the LTEA is a question of law to be determined on a case-by-case basis."

Ikon Office Solutions, Inc. v. City of Pittsburgh, 771 A.2d 870, 872 (Pa. Cmwlth. 2001).

One of the earliest meat-processing cases addressing this issue was *Commonwealth v. Consolidated Dressed Beef Co.*, 88 A. 975 (Pa. 1913). There, the company "slaughtered" animals, removed hides, heads, entrails, and cut carcasses into parts for sale. *Id*. Our Supreme Court concluded that the company was not engaged in manufacturing because the parts were sold in their natural state and no processes were applied to create distinct merchantable food products. *Id*. The Supreme Court explained:

> [T]he only products of the corporation are 'hides, horns, hoofs, bones, fat, brains, blood, materials for casing, livers, hearts, tails, tongues, tripe, and beef.' Everyone of these so-called products is a part of the animal which the defendant has divided up into its constituent parts and separated from the entire body of the animal. Not one of these parts has received the application of art, science, skill, or labor to bring about any change or modification in them so as to adapt them to satisfy human wants. *The defendant company simply takes the animal apart and disposes of the parts or pieces in their natural condition. The purchaser of the respective parts applies to them such art, labor, skill, or process as is necessary to change the parts into the desired product*. The defendant sells its products as raw material and others adapt the raw material to various uses by processes of manufacture.

Id. at 976 (emphasis added). Notably, the Supreme Court recognized that "'[s]laughtering hogs and making therefrom merchantable food such as loins, shoulders, hams, sausages, scrapple, and lard is manufacturing, as was decided in

Commonwealth v. Salt Co., 1 Dauph. Co. Rep. 97."[7] *Id.* However, the Court distinguished the matter before it from the hog operation because "no merchantable food is produced by the defendant company; no hams are cured and no sausages made; the meat is sold in its natural state; and others apply the various processes which adapt it for use as food." *Id.* The Court found that the company merely marketed the meat without changing the products "in any way except by cleaning and sorting." *Id.* The Court further illustrated:

> It may be conceded that 'changing clay into brick by the ordinary processes of digging, tempering, molding, and burning' is manufacturing, as was decided in *Commonwealth v. Excelsior Brick & Stone Co.*, No. 535, January term, 1893, but the mere digging of clay and selling it to another who tempers, molds, and burns brick therefrom is certainly not manufacturing. Farmers at times slaughter an ox, remove the hide, and entrails, cut the carcass into quarters and make sale thereof, and certainly it cannot be successfully contended that in so doing the farmer is carrying on manufacturing. A farmer may fell a tree, remove the bark, and sell it to a tanner, cut the trunk into various lengths and sell the parts to sawmill owners, who convert the same into lumber for the purposes of the market, and it certainly cannot be successfully contended that the person cutting down the tree, removing the bark,

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[7] The Supreme Court appears to have cited to *Commonwealth v. Salt Co.* in error. The relevant excerpt from the Dauphin County Reports regarding meatpacking refers to *Commonwealth v. Pennsylvania Packing & Provision Co.*, which appears in a Note at the end of a different decision. *See Commonwealth v. Allegheny Gas Co.*, 1 Dauph. Co. Rep. 93 (1893); R.R. at 1381a-1385a. The Note provided examples of the types of businesses that the Court of Common Pleas of Dauphin County decided to be "manufacturing" within the meaning of Pennsylvania taxing statutes. 1 Dauph. Co. Rep. at 95; R.R. at 1383a. Unfortunately, the Dauphin County Reports' discussion of *Pennsylvania Packing* at the end of *Allegheny Gas* appears to be the only reported discussion of that ruling. "Prior to the creation of Commonwealth Court, the Court of Common Pleas of Dauphin County served some functions akin to those served by the present Commonwealth Court, and we view those decisions as established precedent of this Court." *Hospital Management Corp. v. Commonwealth*, 171 A.3d 936, 942 n.8 (Pa. Cmwlth. 2017) (string citations omitted).

> and cutting the trunk into logs is carrying on manufacturing. He is *simply preparing raw material for the process of the manufacturer*.

Id. (emphasis added). Thus, the *Consolidated Dressed Beef* Court held that a company that "sells its products in their natural condition without having applied thereto any art, science, labor, or process to change the form or condition thereof . . . is not carrying on manufacturing and is not entitled to any exemption of its capital stock from the payment of state tax." *Id*.

This decision was affirmed in a subsequent case involving the same company. *Commonwealth v. Consolidated Dressed Beef Co.*, 91 A. 1065 (Pa. 1914). The Supreme Court emphasized that the company "buys cattle, which are for it the raw material, and it converts that material into forms and sizes suitable for the market which it supplies, and it then sells the material, as merchandise, to others," but these manipulations were "not such as to properly constitute it a manufacturing corporation." *Id*. at 1066.

In 1928, the Supreme Court further refined the manufacturing test in *Weiland*. There, the company started with slaughtered animal carcasses, which it cut, trimmed, cured, pickled, smoked and prepared hams, bacon, pork, and hides for market. 141 A. at 148. The Supreme Court held that these processes did not constitute manufacturing because the final products remained essentially the same as when removed from the carcass. The Court adopted the definition of "manufacturing" that requires "the application of labor or skill to material whereby the original article is changed to a *new, different and useful article*." *Id*. at 148-49 (emphasis added). The Court opined that, to constitute the making of a manufactured product, it is essential that the article which emerges should not be the same, but a new and different production; the article in its changed form must be adapted to a different use and purpose than was the original before alterations were made. *Id*. at 150. Applying this standard, the Court continued:

> The treatment given to this meat, instead of constituting a process of manufacture, is really an elaboration of the time-honored method of preparing and curing in the grimy little smokehouse of the farmer. From the moment of its separation from the carcass of the animal, the ham remains constantly intact, it retains practically its original shape and size, and neither the curing solution that is 'pumped' into it, nor the solution in which it is steeped, nor the chemical preparation with which it is 'scrubbed,' nor the ultimate 'smlking' [(*sic*)] applied to it, has done anything more in changing the original meat than to modify its color and taste and prevent deterioration and decay; and the purpose and use for which it was originally cut from the carcass as a ham is exactly the same—to be used as food.

Id. Because the company did not make or produce "new and different articles from the meats" taken "from the slaughtered animals," the Court held it was not engaged in manufacturing. *Id*.

Then, in *Armour*, the court examined whether a meatpacking operation that skinned, dehaired, halved, quartered, cut, cleaned, dried, salted, smoked, boiled, or baked animal carcasses was engaged in manufacturing. 69 A.2d at 405. Although the Supreme Court recognized that the operation "require[d] large and extensive plants and organizations, trained men and intricate machinery," it concluded that these factors "neither individually nor collectively, convert what is essentially a mere processing operation into a manufacturing one." *Id*. at 408. Relying on its earlier decisions, the Court reiterated that to meet the manufacturing test there must also be a "*substantial and well-signalized transformation in form, qualities, and adaptability in use, quite different from the originals*." *Id*. (emphasis added). Examining the products before it, the Court concluded that principal *cuts of meat*, namely, hams, bacon, loins, ribs, bellies, and corresponding cuts from cattle, sheep, and calves, remained fundamentally what they always were -- "to be used as food," unchanged in "purpose and use for which [they were] originally cut from the carcass." *Id*. at 409. Because the meatpacker did not produce "a new article or object," but only preserved and prepared meat for sale, the Court held these operations did not constitute manufacturing. *Id*.

More recently, this Court applied these principles in *Allied Foods, Inc. v. School District of the City of Scranton*, 654 A.2d 273 (Pa. Cmwlth. 1995). *Allied Foods* involved a taxpayer operating a wholesale veal processing facility. Although the company purchased live calves, those calves were slaughtered and "debowled" off-site by a third-party contractor. *Id*. at 275. The taxpayer company's in-house facility activities consisted of skinning, "deboning," cutting, and portioning the carcasses into veal cutlets, stew, roasts, cube steaks, and trimmings, followed by packaging and freezing. *Id*. We concluded these steps did not produce a "new, different and useful article," because the veal products were still put to the same use "as the original product." *Id*. The company merely transformed "one form of 'non-consumptionable' veal (a dead carcass) into another form of 'non-consumptionable' veal (cut and portioned, raw veal)." *Id*. Relying on *Weiland*, *Armour*, and *Consolidated Dressed Beef*, we emphasized that taxpayer's processing involved only a "superficial change" and lacked the "substantial transformation in form, qualities and adaptability in use" necessary to qualify as manufacturing. *Id*. Thus, we concluded that the taxpayer was not engaged in manufacturing for purposes of the LTEA exclusion. *Id*.

In *Clover Farms Dairy*, we summarized the foregoing line of cases, reinforcing that "cutting up a calf carcass into raw pieces of veal does not constitute manufacturing." 665 A.2d at 546 n.5. This Court distinguished processing cases from true manufacturing cases where substantially different products were created: *Pillsbury Mills, Inc. v. Pittsburgh School District*, 184 A.2d 236 (Pa. 1962) (milling wheat into flour); *Commonwealth v. Snyder's Bakery*, 35 A.2d 260 (Pa. 1944) (converting potatoes into potato chips); and *Kirks Milk Products, Inc. v. Commonwealth*, 427 A.2d 688 (Pa. Cmwlth. 1981) (processing buttermilk and skim milk into powdered milk). *Id*. "Our courts view the term 'manufacturing' narrowly, and have been reluctant to grant manufacturing exemptions in the food production areas." *Id.* at 546.

Applying the foregoing here, there is no dispute that Taxpayer's operation involves the application of labor, skill, and science satisfying the first prong of the manufacturing test. The crux of the matter is whether Taxpayer produces a substantial transformation of the original article into a new, different, and useful article. Pennsylvania precedent consistently holds that fabricating a carcass into cuts of meat is not manufacturing because these steps do not transform the original material into a new or different merchantable food product. *See Armour*, *Weiland*, and *Consolidated Dressed Beef*. The transformation test has been applied narrowly in the meat context. *See Clover Farms Dairy*, 665 A.2d at 546.

Taxpayer's attempt to distinguish this matter from the "dead carcass" cases because its operation begins with a live animal is unavailing. The proper inquiry is whether the process *transforms* the input into a new and different product with a distinct commercial identity. As illustrated in *Consolidated Dressed Beef*, the process of slaughtering cattle and butchering them into cuts of meat did not constitute manufacturing but the process of slaughtering hogs and transforming the raw input into new and fundamentally different products, including sausage, scrapple, and lard, did. The dispositive factor is the degree of transformation, not whether the process begins with a live animal. Although Taxpayer's operations require significant skill and labor, they do not achieve the degree of transformation necessary to satisfy the second prong of the manufacturing test. In short, the mere butchering of a whole animal, dead or alive, into cuts of meat – even highly refined or market-ready cuts – does not rise to the level of creating a new or substantively different meat product under Pennsylvania's manufacturing standard. As the trial court opined, "start[ing] and end[ing] with beef" is not enough. Trial Court Op., at 80. We conclude that the trial court properly applied the manufacturing test and did not err in determining that Taxpayer did not meet the test for exclusion from the BPT.

C. Uniformity Clause

Next, Taxpayer argues that the District treated it differently than similarly situated large-scale food producers, such as bakeries that are described as a manufacturer in its BPT Regulations. The District offered no legitimate distinction explaining why Taxpayer's high-tech, large-scale, multi-step food conversion operation is taxed while similar operations, like bakeries, are not. This arbitrary classification violates the Uniformity Clause. The trial court prevented Taxpayer from cross-examining the District on comparable taxpayer treatment, creating a Catch-22 because confidentiality rules bar discovery of other taxpayers' files.

The Uniformity Clause does not demand perfect symmetry in taxation, but it does prohibit classifications that result in substantially unequal tax burdens on similarly situated taxpayers without a rational basis. *Clifton v. Allegheny County*, 969 A.2d 1197, 1210 (Pa. 2009). Any distinction between taxed and untaxed entities must be grounded in a "standard capable of reasonable comprehension" and reflect a legitimate distinction between the taxpayers. *City of Allentown v. MSG Associates, Inc.*, 747 A.2d 1275, 1278 (Pa. Cmwlth. 2000). "While reasonable and practical classifications in tax legislation are justifiable and often permissible, when a method or formula for computing a tax will, in its operation or effect, produce arbitrary, unjust, or unreasonably discriminatory results, the uniformity requirement is violated." *Clifton*, 969 A.2d at 1211.

Here, Taxpayer asserts an as-applied Uniformity Clause challenge, pointing out that the District's own BPT Regulations expressly treat a large, industrial-scale bakery, *i.e.*, one that combines raw ingredients, uses "large mechanical equipment and computerized technology," and sells its products nationwide, as a manufacturer excluded from BPT, while denying that same status to Taxpayer despite its comparable scale, sophistication, and national distribution. But despite similarities in size, complexity, and operational capacity, the District's treatment of Taxpayer turned on the second prong of the manufacturing test – whether Taxpayer created a "new, different and useful product." The bakery's transformation of raw inputs into chemically and commercially different baked goods readily satisfies that requirement, whereas a meat processing operation that 'starts and ends with beef' does not. That distinction constitutes a legally valid basis for treating the two entities differently under the Uniformity Clause.

IV. Conclusion

Accordingly, we affirm the order of the trial court and deny the District's Motion to Dismiss.

MICHAEL H. WOJCIK, Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Eugene A. Nicholas, Nicholas Meat, LLC and Nicholas Transportation, LLC	:	
v.	:	No. 373 C.D. 2025
Keystone Central School District	:	
Appeal of: Nicholas Meat, LLC	:	

<u>O R D E R</u>

AND NOW, this 17th day of August, 2026, the order of the Clinton County Court of Common Pleas, dated February 19, 2025, is AFFIRMED; and Keystone Central School District's "Motion to Dismiss Appeal for Failure to Preserve Questions Below" is DENIED.

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MICHAEL H. WOJCIK, Judge