

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2576 Session of  
1980

INTRODUCED BY McVERRY AND FISHER, MAY 21, 1980

REFERRED TO COMMITTEE ON FINANCE, MAY 21, 1980

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court,"  
22 further restricting the power to levy real estate transfer  
23 taxes on certain transfers between former husbands and wives.

24 The General Assembly of the Commonwealth of Pennsylvania

25 hereby enacts as follows:

26 Section 1. Clause (1) of section 2, act of December 31, 1965  
27 (P.L.1257, No.511), known as "The Local Tax Enabling Act,"  
28 amended October 25, 1979 (P.L.233, No.74), is amended to read:

1       Section 2. Delegation of Taxing Powers and Restrictions  
2       Thereon.--The duly constituted authorities of the following  
3       political subdivisions, cities of the second class, cities of  
4       the second class A, cities of the third class, boroughs, towns,  
5       townships of the first class, townships of the second class,  
6       school districts of the second class, school districts of the  
7       third class, and school districts of the fourth class, in all  
8       cases including independent school districts, may, in their  
9       discretion, by ordinance or resolution, for general revenue  
10      purposes, levy, assess and collect or provide for the levying,  
11      assessment and collection of such taxes as they shall determine  
12      on persons, transactions, occupations, privileges, subjects and  
13      personal property within the limits of such political  
14      subdivisions, and upon the transfer of real property, or of any  
15      interest in real property, situate within the political  
16      subdivision levying and assessing the tax, regardless of where  
17      the instruments making the transfers are made, executed or  
18      delivered or where the actual settlements on such transfer take  
19      place. The taxing authority may provide that the transferee  
20      shall remain liable for any unpaid realty transfer taxes imposed  
21      by virtue of this act. Each local taxing authority may, by  
22      ordinance or resolution, exempt any person whose total income  
23      from all sources is less than three thousand two hundred dollars  
24      (\$3,200) per annum from the per capita or similar head tax,  
25      occupation tax and occupational privilege tax, or earned income  
26      tax, or any portion thereof, and may adopt regulations for the  
27      processing of claims for exemptions. Such local authorities  
28      shall not have authority by virtue of this act:

29      (1) To levy, assess and collect or provide for the levying,  
30      assessment and collection of any tax on the transfer of real

1 property when the transfer is by will or mortgage or the  
2 intestate laws of this Commonwealth or on a transfer by the  
3 owner of previously occupied residential premises to a builder  
4 of new residential premises when such previously occupied  
5 residential premises is taken in trade by such builder as part  
6 of the consideration from the purchaser of a new previously  
7 unoccupied single family residential premises or on a transfer  
8 between corporations operating housing projects pursuant to the  
9 housing and redevelopment assistance law and the shareholders  
10 thereof, or on a transfer between nonprofit industrial  
11 development agencies and industrial corporations purchasing from  
12 them, or on transfer to nonprofit industrial development  
13 agencies, or on a transfer between husband and wife, or on a  
14 transfer between persons who were previously husband and wife  
15 but who have since been divorced; provided such transfer is made  
16 within three months of the date of the granting of the final  
17 decree in divorce, or the decree of equitable distribution of  
18 marital property, whichever is later, and the property or  
19 interest therein, subject to such transfer, was acquired by the  
20 husband and wife, or husband or wife, prior to the granting of  
21 the final decree in divorce, or on a transfer between parent and  
22 child or the spouse of such a child, or between parent and  
23 trustee for the benefit of a child or the spouse of such child,  
24 by and between a principal and straw party for the purpose of  
25 placing a mortgage or ground rent upon the premises, or on a  
26 correctional deed without consideration, or on a transfer to the  
27 United States, the Commonwealth of Pennsylvania, or to any of  
28 their instrumentalities, agencies or political subdivisions, by  
29 gift, dedication or deed in lieu of condemnation, or deed of  
30 confirmation in connection with condemnation proceedings, or

1 reconveyance by the condemning body of the property condemned to  
2 the owner of record at the time of condemnation which  
3 reconveyance may include property line adjustments provided said  
4 reconveyance is made within one year from the date of  
5 condemnation, leases, or on a conveyance to a trustee under a  
6 recorded trust agreement for the express purpose of holding  
7 title in trust as security for a debt contracted at the time of  
8 the conveyance under which the trustee is not the lender and  
9 requiring the trustee to make reconveyance to the grantor-  
10 borrower upon the repayment of the debt, or in any sheriff sale  
11 instituted by a mortgagee in which the purchaser of said sheriff  
12 sale is the mortgagee who instituted said sale, or on a  
13 privilege, transaction, subject, occupation or personal property  
14 which is now or does hereafter become subject to a State tax or  
15 license fee;

16 \* \* \*

17 Section 2. This act shall take effect in 30 days.